Northwest Industrial Commission Inc.

Economic Development Strategy

Final Report

Government of
New Brunswick
Department of Commerce
and Technology

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ECONOSULT

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INTRODUCTION

In September, 1988, the Department of Commerce and Technology of New Brunswick hired ECONOSULT INC. to review, evaluate and update the economic development strategy prepared by SECOR in 1981 for the Northwest Industrial Commission (NWIC)

The objectives of the study undertaken by ECONOSULT INC. are the following:

- prepare a profile or an economic analysis of the region including its economic structure, its economic base and the region's potential;

- study, analyze, evaluate and modify the strategy set forth in 1982 in light of the current and future priorities and needs of the region;

- prepare a five-year plan for the commission including practical and/or quantifiable objectives;

- prepare an annual action plan to implement the five-year strategy;

- establish an annual measurement program to evaluate the Commission's accomplishments.

This document is the final report of the study.

It is made up of two parts:

PART ONE: THE CURRENT SITUATION

1.0 Socio-economic profile
2.0 Strengths and weaknesses
3.0 Impact of the Free Trade Agreement
4.0 Development opportunities
5.0 Evaluation of existing development strategy

PART TWO: THE FUTURE

6.0 Economic development theories
7.0 Development strategy
8.0 Action plan
9.0 Organization and management of the NWIC
10.0 Conclusions and recommendations

PART 1

THE CURRENT SITUATION

CHAPTER 1.0

SOCIO-ECONOMIC PROFILE

1.0 SOCIO-ECONOMIC PROFILE

1.1 LOCATION

The territory covered by the Northwest Industrial Commission (hereafter refered to as the NWIC), includes part of Madawaska County. The area is bordered:

- to the north, by the Province of Quebec and Restigouche County;
- to the west, by the Saint John River and the State of Maine;
- to the east and south, by Victoria County and the southern part of Madawaska County.

The territory includes ten (10) municipalities, the largest of which is Edmundston.

It covers an area of 2,339 km^2, about 68% of the total area of Madawaska County (3,422 km^2), and some 3% of the total area of New Brunswick (71,569 km^2).

1.2 POPULATION

Nearly 29,000 people live within the NWIC region of whom 11,500 (40%) live in Edmundston. Of the 10 municipalities within the region, three (3) have populations of 1,000 or more (Edmundston, St-Basile and St-Jacques) (table 1.1). In 1981, the area had a population of 28,810.

The population of the NWIC region has changed little since 1981, having grown by only 0.3% between 1981 and 1986. In the same five year period the population of the city of Edmundston decreased by 4.5%. As a basis for comparison, the following demographic changes occured in the same period:

TABLE 1.1

POPULATION

1971-1986

	1971	1976	1981	1986	% CHANGE 1986/1981
NWIC Territory (1)	26 886	27 398	28 810	28 896	+0,3%
City of Edmundston	12 365	12 710	12 044	11 497	-4,5%
Madawaska County	34 976	34 892	36 432	36 662	+0,6%
New Brunswick	634 557	677 250	696 403	709 442	+1,9%
Canada	21 568 311	22 992 604	24 343 181	25 309 331	+4,0%

Note (1): See Appendix A for a detailed breakdown

Source: Statistics Canada; figures taken from the 1981 and 1986 census data

- Madawaska County : +0.6%
- New Brunswick : +1.9%
- Canada : +4.0%

1.3 MANPOWER, EMPLOYMENT AND UNEMPLOYMENT

Table 1.2 shows the overall figures on manpower, employment and unemployment for the NWIC territory, Madawaska County and New Brunswick, for the census years 1981 and 1986.

In the period 1981 to 1986 the work force grew more slowly in the NWIC territory than in the rest of Madawaska County or the province as a whole. This slow growth can be attributed to the area's demographic stability.

The growth in employment, however, was greater than in the rest of Madawaska County and kept pace with the growth in the province as a whole.

The rate of unemployment, which was higher than in the rest of the County or the province as a whole in 1981, was below average in 1986. In 1986, the rate of unemployment in the NWIC territory was 15.6% overall, including 15.8% of the men in the work force and 15.5% of the women. Compared to 1981, a higher percentage of men were unemployed (12.9% in 1981) and a somewhat smaller percentage of women (16.1% in 1981).

It should be noted that the region has a low percentage of unionized labour. Its available workforce is flexible and receptive to opportunities in new and different economic sectors.

TABLE 1.2

LABOUR FORCE

1981-1986

Characteristics	NWIC			Madawaska County			New Brunswick		
	1981	1986	Growth	1981	1986	Growth	1981	1986	Growth
Population aged 15 +	21 410	21 945	2,5%	26 880	27 540	2,5%	515 945	540 330	4,7%
Labour force	12 190	12 910	6,3%	15 140	16 120	6,5%	300 400	328 095	9,49%
- employed	10 435	10 880	4,3%	12 860	13 315	3,5%	260 990	272 635	4,5%
- Unemployed	1 725	2 020	17,1%	2 280	2 805	23%	39050	53 465	36,9%
Level of employment	56,7%	58,8%		56,3%	58,5%		58,2%	60,7%	
Level of unemployment	14,2%	15,6%		15,1%	17,4%		13,0%	16,3%	

Source: Statistics Canada, 1981 and 1986 census figures

Finally, according to figures from the 1986 census, the average household income for Madawaska County was $26,810., clearly below the provincial average of $28,736.

1.4 ECONOMIC STRUCTURE

1.4.1 Primary Industries

Activity in this industrial division is limited to agriculture and forestry.

Agriculture remains an important field of activity and it has given rise to a rather diversified agro business sector. Within the NWIC territory one finds poultry, dairy and hog production, though the latter is in decline.

The dominant primary industry in the area is by far the forestry industry. 90% of the area is forested and particularly rich in conifers. The management, harvesting and transformation of this resource have traditionally been significant sources of employment in the region.

The 1986 census reveals that the primary sector accounts for 6.8% of the jobs in the NWIC territory, compared to 7.2% in 1981 (Table 1.3 and 1.3 A). The number of jobs within the sector has remained steady at 850.

1.4.2 Secondary Industries

The secondary industries sector includes the manufacturing industries as well as construction and public works. It is second in importance and accounts for nearly 27% of employment in the NWIC territory. However, as table 1.4 clearly illustrates, total employment dropped in both manufacturing and construction between 1981 and 1986.

TABLE 1.3

BREAKDOWN OF EMPLOYMENT BY INDUSTRIAL SECTOR

1981-1986

(IN PERCENTAGES)

SECTOR	NWIC		Madawaska		New Brunswick	
	1981	1986	1981	1986	1981	1986
Primary Industry	7,2	6,8	9,6	9,4	8,2	8,1
Secondary Industry	30,0	26,6	28,4	28,0	24,1	21,4
Tertiary Industry	62,8	66,6	62,0	62,6	67,7	70,5
TOTAL	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%

Source: Statistics Canada, 1981 and 1986 census figures

TABLE 1.3.A

CHANGES IN EMPLOYMENT BY INDUSTRIAL SECTOR

1981-1986

(IN NUMBER OF JOBS)

SECTOR	NWIC		Madawaska		New Brunswick	
	1981	1986	1981	1986	1981	1986
Primary Industry	845	850	1 485	1 465	23 995	25 770
Secondary Industry	3 535	3 340	4 555	4 370	70 705	68 045
Tertiary Industry	7 450	8 385	8 670	9 810	198 750	223 525
TOTAL	11 800	12 270	14 710	15 645	293 450	317 340

Source: Statistics Cana 1981 and 1986 census figures

TABLE 1.4

BREAKDOWN OF EMPLOYMENT BY INDUSTRIAL SECTOR
NWIC TERRITORY
1981-1986

Industrial Sector	Employment 1981	Employment 1986	Variation (%)
Primary Industry	845	850	0,6
Secondary Industry			
- Manufacturing industries	2 705	2 575	-4,8
- Construction industries	830	765	-7,8
Sub-total Secondary Industries	3 535	3 340	-5,5
Tertiary Industry			
- Transportation, storage, communications and other utility industries	885	795	-10,2
- Trade industries	1 820	2 155	18,4
- Financial, insurance and real estate industries	395	480	21,5
- Government service industries	710	895	26,1
- Other service industries	3 640	4 030	10,7
Sub-total Tertiary Industries	7 450	8 355	12,1
Total employment	11 800	12 570	6,5

Source: Statistics Canada, 1981 and 1986 census figures

Over the 1981-1986 period,130 jobs were lost in the manufacturing sector and 65 in the construction sector. This is particularly disturbing insofar as the secondary sector is the largest employment sector of the economic base. We shall see in the following pages how growth in certain industries such as garment manufacturing was able to compensate for drastic reductions in others.

The SECOR report and other subsequent studies by the NWIC right up to 1988 have allowed a more detailed analysis of the development of economic base employment (closely related to the manufacturing sector). For the sake of homogeneity we have kept the groupings put forward by SECOR. Our analysis appears below.

Table 1.5 presents changes in the economic base sector for the years 1981 to 1988.

The table highlights the following observations:

- The total number of economic base sector jobs went from 2,385 in 1981 to 2,685 in 1988, a net increase of 300 jobs.

- Of these, 454 were created in plants that opened after 1981; existing plants registered a net loss of 154 jobs.

1.4.2.1 Forest and Wood Products

Forest products can be subdivided into three (3) sub-industries:

- Pulp and paper and related products
- Lumber production
- Wood furniture and furnishings

TABLE 1.5

DEVELOPMENT OF THE ECONOMIC BASE
1981-88
(Number of jobs)

Sector	1981 (SECOR)	1981 (NWIC)	1987 (APRIL)	1988 (MARCH)	1988 (SEPT)
1- Forestry					
- Existing companies	1 431	1 427	1 225	1 374	1 251
- New companies	-	-	16	16	16
Total	1 431	1 427	1 241	1 390	1 267
2- Food					
- Existing companies	348	331	267	285	269
- New companies	-	-	5	5	3
Total	348	331	272	290	272
3- Garment					
- Existing companies	285	285	210	217	219
- New companies	-	-	414	396	343
Total	285	285	624	613	562
4- Metal and machinery					
- Existing companies	66	61	34	26	26
- New companies	-	-	19	12	10
Total	66	61	53	38	36
5- Miscellaneous					
- Existing companies	255	327	357	386	466
- New companies	-	-	70	84	82
Total	255	327	427	470	548
6- Total number of companies	2 385	2 431	2 103	2 288	2 231
- New companies	-	-	524	513	454
Grand total	2 385	2 431	2 627	2 801	2 685

Source : - SECOR, 1981
- NWIC, 1987 et 1988

The SECOR study listed 15 companies in the forest products industry for a total of 1,431 jobs. The NWIC study indicates that in September 1988 those figures had changed to 16 companies and 1,267 jobs.

The forestry industry is dominated by Fraser Inc. In September 1988, it accounted for 910 jobs, or 72%. Owned by the Noranda Group, it produces pulp which is then shipped to its plant in Madawaska on the American side. In the period between 1981 and 1988, employment at Fraser Inc. remained stable at 900 to 1,000 employees and no dramatic change is expected in the foreseeable future.

The wood products sub-sector is composed of a group of companies producing lumber, laths and shingles, etc. In 1981 they number 12 and employed 228 people. By 1988 there were 10 companies left and 211 jobs. Four (4) of the companies are the major employers:

• Gilles Bégin Lumber Ltd. (35 employees):	Railroad ties
• Clair Industrial Dev. Corp. (43 employees):	Shingles and laths
• A.A. Beaulieu Ltd. (40 employees):	Doors and windows
• Couturier Lumber Ltd. (60 employees in 1988):	Lumber

This sub-sector was in steady decline until 1987. By 1988, it had returned to its 1981 employment level.

The prospects of this sub-sector look promising, particularly in the areas of lumber and shingles. The Free Trade Agreement should be no obstacle to growth in these areas given the low tariffs currently in effect and the trade advantage of local producers over their competitors in the State of Maine.

The third group of businesses in this industrial sector are the producers of wood furniture and furnishings. Employment in this area went from 203 in 1981 to 146 in September of 1988. With its 135 employees, Nadeau-Shermag, formerly Nadeau et Nadeau Ltée, is practically alone in this area. Controlled by Quebec based Shermag since early 1988, the Company has adopted a revitalization plan that calls for greatly increased sales over the next few years, particularly in the United States.

1.4.2.2 Food

This sector experienced a serious decline in the period between 1981 and 1988 when employment fell from 348 to 272. It is clearly dominated by Nadeau Enterprises Limited, a business almost exclusively involved in the slaughter and dressing of chickens. In spite of losses incurred as a result of an unfortunate foray into hog production, this business continues to dominate the chicken industry in New Brunswick with a 50% share of the market. However, the Company's short term growth potential is limited particularly in light the government's current policy of controlling farm prices.

In the fall of 1988, Nadeau sold the breeding end of the business. Independent breeders now supply all of their birds.

The other producers in this sector depend on the local market. With the exception of Morneault Poultry Farm, they have been in slow decline. None of them should show significant growth in the coming years. And la Crèmerie Belzile, a major business in the area, will shut down in 1989. Baxter Foods Limited will be moving it to Saint John as part of its efforts to streamline operations.

1.4.2.3 The Garment Industry

This industry experienced remarkable growth in the period 1981 - 1988. In 1981 it consisted of three (3) businesses with a total of 285 employees; by September of 1988, there were 12 businesses for a total of 562 employees.

Growth occured rapidly as of 1982 with the arrival of businesses from Quebec and the creation of local companies. Most of these new plants specialize in assembling garments.

An analysis of employment in this sector reveals several interesting points. The businesses already present in 1981, Chemise JML Ltée/JML Shirt Ltd, Ganterie canadienne and Fourrures Chiasson Ltée saw a drop in their employment in the period 1981 -1988 from 285 to 219. Conversely, the new businesses account for the overall growth in employment. In all 277 new jobs were created in this sector. New businesses accounted for 343 jobs in 1988, thereby offsetting the loss of jobs in the original companies.

The sector is primarily an employer of women, and it is well known that the level of remuneration is quite low (piece work). Furthermore, the new businesses are primarily involved in assembling which generates little value added. In most of these shops, little if any designing or cutting takes place. Employee turnover is very high right now.

All of these factors taken together raise some doubts concerning the long term growth potential of this industry. Indeed, in 1988 two businesses were forced to close down with the resulting loss of 47 jobs. Being dependent as they are on contract and sub-contract jobs, the local garment industry is very vulnerable to market conditions.

It should be noted, as well, that the garment industry in Canada has much more to fear from the GATT agreements than from free trade. Consequently, this sector remains fragile and particularly vulnerable to related market conditions.

1.4.2.4 Metal and Machinery Manufacturing

This manufacturing sector can be broken down into two sub-sectors: metal products and machinery.

In the manufacture of metal products, employment went from 51 in 1981 (SECOR report) to 29 in September of 1988. This industry, which is dominated by AD Aluminium, experienced drastic declines in 1981 and 1983, probably as a result of the recession in those years. Between 1984 and 1987, employment returned to 1981 levels, but then it began to decline again, and it was still in decline in September, 1988.

In the sub-sector of machinery, employment dropped from 15 to 7 in the period 1981 - 1988. The business that was dominant in 1981, Energy Tube, closed its doors in 1985. At this time there is only one business operating in this sub-sector, and it is a relative newcomer established in 1987. The SECOR report had suggested a potential for growth in this industry, but it was not to be. Yet it remains an industry with a good market potential, both domestic and international. An effort should be made to analyse the problems in this industry and look for possible solutions.

1.4.2.5 Miscellaneous

The SECOR report indentified 10 businesses of the economic base in 1981, with a total of 255 employees. Two of them were clearly dominant at the time: Square D Canada Ltd. with 135 employees (53% of the jobs) and Enseignes Impériales Signs Ltée/Ltd with 45 employees (18% of the jobs).

As of September, 1988, according to research by the NWIC, there were twenty eight businesses and a total of 548 jobs. Those that were already in place in 1981 account for 466 jobs and the more recent arrivals, for 82.

This sector can be broken down into 8 categories:

- rubber products
- plastic products
- transportation equipment
- electrical products
- metal products
- chemical products
- printing and publishing
- other

In the area of rubber products, there are two (2) businesses involved in retreading tires, of which Dupont and Lessard Oil Ltd., employing 20 people.

The manufacture of plastic products is the biggest area of employment with 213 jobs. The category is clearly dominated by Enseignes Impériales Signs with its 213 employees. This company has experienced unprecedented growth thanks to a contract it signed in 1987 with a major oil producer. The category also includes Edmundston Paper Box Company (20 employees). The sub-category of plastic

products contributed most to the growth of miscellaneous industries during the 1981 -1988 period, and its potential for growth remains high.

The transportation equipment industry includes 7 companies for a total of 68 employees. It is a particularly dynamic industry, and most of the companies are less than five years old. It includes various kinds of production : the manufacture of fiber glass chassis, casings, starters and trailers. It should be noted that free trade will have little effect on this industry since it is governed by the Auto Pact. Particular attention should be granted to this industry since its potential for growth seems very good.

In the manufacture of electrical and electronic products, one company stands out, Square D Canada Ltd. A subsidiary of an American company, it produces circuit breakers for the Canadian market. Employment has increased steadily since 1982; it now stands at some 170, mostly female workers, and should remain at the current level in the coming years.

The other industries in this category, including non-metal mineral products, chemical products, printing and publishing are relatively small and are rather stable. A number of small companies (1 to 3 employees) have sprung up in recent years notably in the areas of dental prosthetics and computer services.

1.4.3 The Tertiary Sector

The tertiary sector accounts for about two thirds of the employment in the NWIC territory, and it has grown by some 6.5% during the period 1981 - 1986. By 1986 it accounted for 12,570 jobs, while 1981 figures were 11,800.

The loss of jobs in the transportation industry is due mainly to the closing down of Canadian National facilities; it has been more than offset by new employment in the commercial industries, government services and other services.

Tertiary sector jobs are centered primarily in the Edmundston area. This confirms the position of Edmundston as the region's primary service and commercial centre. As far as commerce is concerned, proximity to the American border and the fluctuations of the Canadian dollar have influenced consumer behaviour. American consumers cross the border to Edmundston to take advantage of the purchasing power of their dollar. This is an example of how interdependent the two border areas are with respect to economic development.

As far as transportation is concerned, there exist no locally based inter-city trucking firms. This sector is completely dominated by outside companies. The decline of Canadian National's activity in the transportation industry has exacerbated its already weak condition.

Edmundston is unchallenged as the Northwestern region's educational centre. It has all the necessary primary and secondary education facilities. Edmundston is also home to the Edmundston Campus of the New Brunswick Community College, which offers primarily commercial, secretarial and hotel business courses to over 350 students; the Centre Universitaire St-Louis Maillet, affiliated to the University of Moncton, offers courses in forestry, health sciences, social sciences, administration and liberal arts to over 500 students, and a nursing school.

The Research and Productivity Council (RPC) is also located

The Research and Productivity Council (RPC) is also located in Edmundston.

In the area of health care, Edmundston Regional Hospital provides 200 beds and a wide range of medical services including the services of specialists.

Tourism remains largely undeveloped. It offers primarily seasonal employment. The principal attractions include:

- Mount Farlagne
- les Jardins de la République
- la Foire Brayonne
- le Jardin botanique de St-Jacques

Given the light volume of tourism in the region, hotel accommodations are adequate.

The upper tertiary, which stimulates activity in the other sectors by facilitating the "export" of services to other regions is practically inexistent. This weakness should be the object of particular attention. For example, the business services sector remains undevelopped because the local market is limited. Aside from a few accounting and engineering firms, no professional management or marketing services exist in the region.

1.5 ACCESSIBILITY

1.5.1 Roads

The NWIC territory is crossed by the Trans Canada Highway (Route 2) which links it to Woodstock, Saint John and Fredericton to the south. This highway is also an extension on Route 185 Rivière-du-Loup/New Brunswick, which itself links with Autoroute Jean Lesage (Autoroute 20 in Quebec).

Route 17, in the south of Madawaska County, links the Edmundston region to North-Eastern New Brunswick (Campbellton, Dalhousie).

Route 120 serves the western part of the area and links it to Route 205 towards Clair and St-François.

U.S. Highway No 1, running through the Eastern section of Maine, is accessible from Edmundston or Clair.

Table 1.6 gives the highway distances separating Edmundston from the major centres in New Brunswick, Quebec, Ontario, and the Eastern U.S.

A proposed by-pass around Edmundston is the major highway improvement project for the time being.

Route 2 sees a great deal of commercial traffic from Quebec and Ontario headed for the major Maritime centres. The area has a number of truck service centres: Cabano-d'Anjou, Day and Ross, Midland, but none controlled by local entrepreneurs.

TABLE 1.6

HIGHWAY DISTANCES
(in km)

From Edmundston to	Distance in km
New Brunswick and Maritimes	
Campbellton N.B.	201
Fredericton N.B.	275
Halifax N.S.	725
Moncton N.B.	460
Saint-John N.B.	380
Quebec	
Montreal	576
Quebec	328
Rimouski	220
Rivière du Loup	120
Ontario	
Toronto	1 115
United States	
Bangor Maine	366
Boston Mass.	740
New York N.Y.	1 088

Source: Official New Brunswick road map - 1985

Bus service also links the region to the main centres in the Maritimes and Quebec.

In conclusion, the highway system offers adequate links with Quebec, Maine and the rest of New Brunswick. However the volume of truck traffic and the mediocre quality of the driving surface (particularly Route 2, South of Edmundston) makes the highways somewhat hazardous.

1.5.2 Rail Transportation

The area is served by the three major Canadian rail services: Canadian National, Canadian Pacific and Via Rail. Via Rail provides passenger service between Edmundston and Moncton 3 or 4 times a week. CN offers freight service to various destinations. CP offers freight service daily to Saint John, New Brunswick.

1.5.3 Air Transportation

There is only one airport in the NWIC territory, Edmundston Municipal Airport. It offers no regular service. Work is underway to extend the runway to 5,200 feet.

The regional airport is at St Leonard, 37 km south of Edmundston. Until recently, a private carrier used to offer regular service from there to the major Maritime centres. However, neither that nor any other regular service is offered there today. This lack of service isolates the region from the large network of air travel facilities in Canada. A traveler wishing to fly in or out of the area must drive 200 km or more to one of the nearest airports offering regular service (Fredericton, Charlo or Mont Joli). This represents a major drawback, and it seems essential to restore regular service from one or the other of the region's airports, St Léonard or Edmundston.

1.6 INDUSTRIAL INFRASTRUCTURE

Four (4) industrial parks exist in the NWIC region, three of which are administered by the NWIC. They are: Edmundston Industrial Park, Clair Industrial Site and Madawaska Regional Industrial Park in St-Hilaire. The fourth industrial park, St-Jacques, is managed by the municipality of St-Jacques.

1.6.1 Edmundston Industrial Park

Bought by the City of Edmundston in 1971, this site has been managed by the NWIC ever since.

Its 50 acre area is entirely occupied. The site contains a mall which is also managed by the NWIC.

This park offers all the services. In February of 1988, 15 companies were located there.

A new park is now being considered. It would be approximately 160 acres, and the municipality's plan calls for gradual occupation over the next twenty years.

1.6.2 St-Jacques Industrial Park

This is the only industrial park not managed by the NWIC. It is zoned for light industry, and it was bought by the municipality of St-Jacques between 1983 and 1986. It covers some 32.5 acres of which about 5.5 are occupied by four (4) businesses:

- Karine Sportswear
- Dynamic Fibre
- Mar-Fibre Ltd
- John Martin - CD Concrete

This park offers all services.

1.6.3 Clair Industrial Site

This site covers an area of some 300 acres of which 225 are still available. Its five present occupants are:

- Gilles Begin Lumber Ltd
- Clair Industrial Development Corp.
- Lattes Waska
- Les Modes France Ltée
- Les Moulées Nadeau Ltée
- Les Carrières Témis - (Storage of lime)

The site was bought by the village of Clair in 1969. Now managed by the NWIC, it offers full services and is zoned for both light and heavy industry.

1.6.4 Madawaska Regional Industrial Park

This park, located in St-Hilaire, was bought by the NWIC in 1975. About ten (10) of its 180 acres are currently occupied by its only two occupants:

- Les Pavages de la République Ltée
- Madawaska Paving Ltd.

The park is zoned for both light and heavy industry.

CHAPTER 2.0

STRENGTHS AND WEAKNESSES

2.0 STRENGTHS AND WEAKNESSES

The economic profile of the NWIC region highlights its strengths and weaknesses.

2.1 LOCATION AND ACCESSIBILITY

The area is in a favourable geographic location with reference to Quebec and to other regions in New Brunswick. On the border of both Quebec and Maine, it is also a gateway to the Maritimes.

However the advantages of its location are offset by its relative inaccessibility, particularly with reference to passenger transportation. The lack of regular airline service makes business travel difficult. The Trans-Canada Highway, which crosses the region and links it to Quebec, is heavily used by transport trucks carrying goods between Quebec and Ontario and the Maritimes. This heavy traffic makes higway travel relatively dangerous.

Access to the United States is direct via Edmundston or Clair, but weight restrictions on route 120, particularly during the periods of freeze-up and thaw, greatly reduce the potential for load efficiency. Because of its inadequate service, rail transport is underused for the shipment of freight.

2.2 POPULATION

The Northwest region has a low population density. Economically, it's a minor region, as the 1981 SECOR report pointed out. The adjacent regions, the Témiscouata region of Quebec, the Saint John River Valley to the

south, the Restigouche to the east and northern Maine, are also lightly populated. The sparse population explains the relative weakness of the tertiary sector.

2.3 MANPOWER

Unemployment is high in the NWIC area; 1986 census figures report 15.8%. The activity rate is also low and, at 58.8%, below the provincial average of 61%. These two (2) factors account for the low wages in the area (with the exception of Fraser Inc.) and a heavy dependence on anti-cyclical programs such as Unemployment Insurance and Social Welfare. Though not exclusive to the area, this accounts for a steady demographic drain.

However, for potential investors, low salaries, particularly in an area of relatively skilled labour, constitute a significant incentive. It seems to have been a factor in the growth of the garment industry in the area.

The lack of militant unionism in the area is also an incentive to potential investors.

Although the region is primarily francophone, the population is largely bilingual.

2.4 SCHOOLING

Table 2.1 gives a breakdown of the population according to level of schooling. The information comes from the 1986 census data.

TABLE 2.1

BREAKDOWN OF POPULATION ACCORDING TO HIGHEST LEVEL OF SCHOOLING

1986

HIGHEST LEVEL OF SCHOOLING	NWIC	MADAWASKA	NEW BRUNSWICK	CANADA
o Less than grade 9	27,6	29,8	23,8	17,3
o Grades 9 to 13	37,4	38,1	40,0	40,0
o Trades certificate or diploma	2,4	2,4	2,5	3,0
o Other non-university	16,0	14,8	17,9	21,3
o University degree	16,6	14,9	15,8	18,4
TOTAL	100%	100%	100%	100%
At least diploma or certificate	35%	32,1%	36,2%	42,7%

Source: Statistics Canada, 1986 census figures

The level of schooling among the residents ofthe NWIC is below the provincial average, except for university graduates who are relatively more numerous in the Northwest. However, the level of schooling is below the Canadian average.

The gap is widest among those with less than grade 9: 27.6% in the NWIC region as opposed to 23.8% for the province and 17.3% for the country.

It can be seen that 65% of the population never got beyond grade 13. This may somewhat deter industries which require a more highly qualified workforce.

2.5 ECONOMIC STRUCTURE

It must be noted that the primary industrial sector, while it is in decline as a source of employment, traditionally occupies an important place in the economic structure of the region, even though the employment it offers is largely seasonal.

Within this industrial sector, agriculture, and particularly the forestry industry, provide the underpinnings of the region's manufacturing sector which consists largely of various wood product and food transformation industries. In 1988, of the six business with 100 or more employees, two (2) were related to the transformation of wood (Fraser and Nadeau-Shermag) and one to the food processing (Entreprise Nadeau). Between them , these three (3) companies employed 1,355, or 46% of total employment in the manufacturing sector. In 1988, the companies in forest products and agriculture (15 businesses), represented 59% of the jobs in the manufacturing sector.

Compared to the rest of New Brunswick, the tertiary sector is less developed with 66.6% as compared to 70.5% for the province as a whole. As well, the tertiary sector, located primarily in Edmundston, consists mostly of traditional activities: retail sales, restaurants, hotel/motel… One finds little "dynamic" activity, with high salaries and a good potential for exportation.

As far as communications are concerned, there are no locally owned inter-city trucking firms.

2.6 TOURISM

This industry remains underexploited and caters either to a seasonal clientele (golf, skiing …) or to people in transit (Jardins de la République). This is unfortunate, particularly in light of recent efforts by the hotels and sports facilities in the area to provide an attractive product.

The potential of this industry should be examined in detail, and a Regional Tourism Association should be established to coordinate the efforts of all those involved and to define and promote a unique regional product.

2.7 INTANGIBLES

While the area can not provide all the amenities of a large urban centre, nature lovers will appreciate the quality of life it offers.

The region's potential is growing, as well, with the increase in local enterpreneurship in recent years. In fact, the "pays brayon" is being refered to these days as the "Petite Beauce du Nouveau-Brunswick".

However, local enterpreuneurship is failing in certain areas, and this is particularly evident in the service sector.

It should also be mentioned that the region is admissible to a number of government assistance to business programs.

2.8 OVERVIEW OF STRENGTHS AND WEAKNESSES

Table 2.2 gives an overview of the strengths and weaknesses of the NWIC region from the standpoint of economic development.

The analysis in the preceding pages shows that the economy of the Northwest is still largely dependent on farming and forestry, both of which have a limited potential for growth. Forest product industries gravitate around a few businesses, Fraser in particular, the employment level of which has been stable over the last several years and is likely to remain so.

Growth in the forestry industry is highly unlikely, particularly given the quality of the resource itself.

The food industry is dominated by Entreprise Nadeau and its potential for growth, at least in poultry, hinges on government policy.

The garment industry is the one area which has provided some growth in employmnent in the region. The growth is

TABLE 2.2

Strengths and Weaknesses of the Region

FEATURE	STRENGTHS	WEAKNESSES
Location	. Gateway to the Maritimes	. Far from major urban centres
Accessibility	. Direct access to the U.S. via Edmundston and Clair	. Lack of regular air service . Inadequate rail service . High density of truck traffic on highway 2 . Load restrictions on highway 120 during periods of freeze-up or thaw
Population		. Low population density . Limited local markets . Stable
Manpower	. Wages lower than average . Little union activity . Hard working and productive labour force	. Low level of activity . Seasonal employment
Education	. Bilingualism	. Low level of schooling
Primary Industries		. Mature forests . Lack of other primary resources
Secondary Industries		. Little linkages among manufacturing sectors
Tertiary Industries	. Edmundston service centre	. Underdeveloped upper tertiary sector

directly attributable to new companies; those that were already in place in 1981 have experienced a net drop in employment. However, this industry, whose growth consists largely of transplanted Quebec shops, offers no reliable potential for continued growth in the future. Besides, it is made up primarily of minimum value added assembly operations.

Some manufacturing sector industries have experienced noteworthy growth and have had a noticeable impact on the local economy. In the plastics field, Enseigne Impérial Signs stands out, and in the area of fiberglass, Dynamic Fibre and Mar-Fibre are worth mentioning.

There has also been growth in the tertiary industries but primarily in traditional types of businesses such as restaurants and shops. By comparison, there has been little movement in the upper tertiary sector.

In conclusion, in spite of efforts to diversify, the economy of the Northwest remains largely dependent on traditional industries. The small population base of the area and of the surrounding areas sets limits on the growth of the upper tertiary sector.

Tourism remains seasonal and still awaits cooperation of all the parties involved in the creation of an original regional "product". While the spirit of entrepeneurship of the Brayon continues to be felt, the upper tertiary sector still remains under-developed.

Finally, there seems to be a certain weakness in the area of sub-contracting among the businesses in the region. Few businesses seem to make a priority of purchasing goods and services regionally. This results in a lack of coordination and lost business opportunities in the local business community.

CHAPTER 3.0

IMPACT OF THE FREE TRADE AGREEMENT

3.0 IMPACT OF THE FREE TRADE AGREEMENT

This section examines the impact of the Free Trade Agreement between Canada and the United States on the regional economy. The analysis is based on an evaluation of the potential opportunities and dangers to the various sectors of economic activity in the region.

Basically the Northwest region of New Brunswick may be considered a resource area insofar as the major part of its economic activity is generated by its forest industry. This can be seen in the manufacturing sector where 49% of employment (table 3.1) is dependent on the transformation of forest products.

The levels of protection imposed on resource products and on low value added transformed products are usually either nil or very low. Indeed, countries are anxious to import primary resources in order to employ their own manpower to transform them into much more valuable finished products. Since the area under consideration is a primary resource area for which protectionary measures are negligeable, it can be anticipated that the Free Trade Agreement will have little impact on the regional economy.

The greater the investment in manpower, capital, etc. a sector requires, the more it is likely to be protected from foreign competition by trade barriers and tariffs. Such high investment areas are therefore the ones that are most likely to be vulnerable to foreign competition when the agreement is implemented and the barriers begin to fall.

TABLE 3.1

RELATIVE SIZE OF REGIONAL MANUFACTURING INDUSTRIES AND THEIR TRADE BARRIERS

	Employment, N-W N.B., 1988		TRADE BARRIERS							
			CANADA				UNITED STATES			
		(%)	Tariff rate	Quantitative restrictions	Federal Gov. procurement	TOTAL	Tariff rate	Quantitative restrictions	Federal Gov. procurement	TOTAL
1. Food and beverages	272	10,1								
- Poultry	190		10,8	9,3	0	20,1	6,7	0	0,6	7,2
- Dairy Products	29		7,9	19,4	0	27,3	4,0	40,8	0,2	44,9
- Soft Drinks	24		14,3	0	0	14,3	0,8	0	0,2	1,0
- Baked Products	17		-	-	-	-	-	-	-	-
- Other	10		-	-	-	-	-	-	-	-
2. Pulp and Paper	910	33,9	1,7	0	0	1,7	0,4	0	0,2	0,6
3. Wood	357	13,3								
- Lumber	95		1,3	0	0	1,3	0,2	0	0	0,2
- Shingles	43						0 (1)			0 (1)
- Laths	12									
- Doors and Windows	40		4,4	0	0	4,4	2,2	0	0	2,2
- Furniture	146		13,1	0	0	13,1	2,1	0	0,5	2,6
- Other	21									
4. Garment	562	21,0								
5. Metal and Machinery	36	1,3	6,2	0	2,5	8,7	2,9	0	0,3	3,1
6. Signs	185	6,9								
7. Electric and Electronic Equipment	179	6,7	6,5	0	1,8	8,3	4,3	0	1,2	5,5
8. Plastics	43	1,6	7,5	0	0	7,5	8,8	0	0	8,8
9. Retread Tires	20	0,7	9,3	0	0	9,3	4,3	0	0	4,3
10. Printing	40	1,5	2,5	0	0	2,5	0,6	0	0	0,6
11. Chemical Products (fertilizers)	4	-	0,2	0	0	0,2	0,4	0	0	0,4
12. NCA	77	2,9								
TOTAL	2 685	100%								

(1) American import duty on shingles is nil except where subsidies are considered to provide an unfair trade advantage, the duty is then 15%.

Source: Government of Canada, Department of Finance "The Canada - U.S. Free Trade Agreement: An economic assessment. Copy 01-09-82

In order to grasp the full impact of the Free Trade Agreement on the regional economy, we must consider its effect on each of the major manufacturing industries.

Table 3.1 outlines the present (pre free trade) barriers in place in Canada and in the United States.

The size of the trade barriers is calculated by adding the tariffs, the equivalent value of quantitative restrictions, and the effect of trade policies on federal government procurement. These three terms are defined below.

Tariffs:

This refers to the average tariff for each industry calculated on the basis of the import duty imposed for each of the products.

The rate was established by the Department of Finance using weights based primarily on domestic production; wherever production statistics were missing for a given category of products subject to a tariff, import figures were used.

American tariffs were calculated on the same basis as Canadian tariffs.

Non-Tariff Barriers (NTB):

In order to obtain a measure comparable to tariff rates, NTB's are expressed as a tariff that has an effect on import prices equivalent to the NTB's in question.

A number of industries are protected by both tariffs and NTB's. In such cases only the incremental protection provided by the NTB's is added to the tariff in calculating the total rate of price protection, as evaluated by the Department of Finance.

Two types of non-tariff barriers were examined,

- quantitative restrictions (QR's);
- federal government procurement (preferential buying policies of the federal government).

Quantitative Restrictions (QR's):

In the NWIC region, QR's on imports between Canada and the United States only apply to agricultural products.

Canadian QR's apply to cereals, poultry and related products, eggs, dairy products, flour and cattle feed. American QR's apply to dairy products, sugar and products containing sugar.

The Department of Finance points out that, with the exception of former American QR's on meat, all these QR's are related to agricultural price support and supply management programs.

The impact of QR's on domestic prices was calculated as the difference between the observed producer price in Canada and the comparable world price, after adjustment for exchange rates, transportation, charges and tariffs.

Federal Government Procurement:

This component refers to preferential federal government procurement.

The tariff equivalents of federal government procurement policies are calculated as the tariff rate required to reduce total imports by the same amount as the change in federal imports attributable to preferential procurement practices.

3.1 PULP AND PAPER

The most important of the manufacturing sectors in the area, the pulp and paper industry accounted for 34% of the jobs in manufacturing. This industry will remain unaffected by the trade agreement since the pulp produced by Fraser, the only producer in the area, is already all exported to its subsidiary paper mill in the United States. In any case the American trade barrier on pulp is negligeable at 0.6%

3.2 WOOD PRODUCTS

Other industries in the transformation of wood products together account for 13.3% of jobs in the manufacturing sector in the region.

The lumber industry accounts for nearly half the jobs. The trade agreement constitutes no problem for this industry given the very low tariff rates in force, (1.3% in Canada and 0.2% in the U.S.), and the competitive advantage enjoyed by the regional producers over their competitors in Maine. Overall, the agreement should help the region's lumber industry.

The furniture industry in the region represents some 146 jobs. The tariff rates in force are 13.1% in Canada as opposed to 2.1% in the U.S. Nonetheless, the local producer seems confident that the quality of its product and its competitive potential will insure its continued success in the American market once free trade is in place. The director of the only furniture producing business in the region is entirely in favour of the Free Trade Agreement.

The shingle industry, which accounts for 43 jobs, also has a market share in the United States. The implementation of the Free Trade Agreement should stabalize this industry's access to the American market. At the moment no tariff is levied against this type of product except when it is felt that a specific subsidy constitutes an unfair trade advantage. In such a case, a tariff rate of 15% applies. The implementation of the Agreement should clarify this situation and eliminate any potential threat on the part of the Americans.

3.3 THE GARMENT INDUSTRY

The garment industry is the second biggest manufacturing industry in the region. It accounts for 31% of employment in the manufacturing sector. Traditionally, this industry has benefited from a high level of protection against foreign competition (19.7%). This is also true of the same industry in the United States which guards against imports, particularly from South-East Asia, with tariffs of 10.9%. As a result, when the Agreement takes effect, there should be little negative impact on the regional garment industry. It seems to be on a good competitive footing vis-à-vis its American counterpart.

It should be further noted that, under the terms of the Agreement, garments made from fabrics manufactured in a third country will not be eligible for the complete removal of tariffs. This tends to maintain protection against competition from countries other than the United States.

The greatest competitive threat to the garment industry will continue to be from developing countries. In the circumstances, the results of the GATT negotiations will have a much greater impact on this industry than will the Free Trade Agreement.

3.4 FOOD AND BEVERAGES

This industry accounts for some 10% of regional employment. The production of poultry, with up to 206 jobs, is by far the biggest employer in this industrial sector. Canadian trade barriers for this category of goods are relatively high at 20.1% made up of 10.8% customs duty and a 9.3% quota. It is recognized that local producers could not really compete with producers from the South-Eastern States, where production reaches 40,000 chickens an hour as compared to 4,500 for local producers.

It is expected that, in the area of poultry production, as in other agricultural areas, non tariff barriers will remain in force for many years to come. Indeed, the Canadian system of supply management (marketing boards) is expected to remain intact for the areas of poultry, eggs, and dairy products. This means that quantitative restrictions will remain in force for those products. This should help offset the negative impact of the Free Trade Agreement.

3.5 OTHER INDUSTRIES

Among the other industries of the manufacturing sector in the region, some see in the trade agreement a chance for expansion into the United States. For example, a local sign company (179 jobs in 1988) is poised to jump on the opportunities offered by the new market.

3.6 PHASING OUT SCHEDULE FOR CANADIAN TARIFF RATES

Tables 3.2 and 3.3 show examples of how the schedule for the gradual phasing out of Canadian import tariffs will work. Custom duties on some products were lifted right from the moment the Agreement went into effect on January 1, 1989. For example: computers, furs and fur garments. For other products, the tariff rates will be removed gradually in five equal steps. For yet other categories of goods, the tariffs will be lifted in equal annual increments over ten years starting January 1, 1989. This latter schedule applies to most agricultural products, textiles and garments.

Table 3.3 shows the application of the schedule to most of the region's products.

3.7 CONCLUSION

The net effect of the Free Trade Agreement between Canada and the United States on the region of Northwestern New Brunswick seems to be rather positive. Indeed, tariff rates applicable to the region's most important industrial sectors are already very low. Furthermore, even among more vulnerable categories of products, such as poultry and clothing, competition from U.S. producers is not anticipated to increase significantly.

TABLE 3.2

EXAMPLES OF TARIFF PHASING

- Tariffs will be eliminated on the following goods when the Agreement enters into force on January 1, 1989:

computers	some pork
some unprocessed fish	fur and fur garments
leather	whiskey
yeast	animal feeds
unwrought aluminum	ferro alloys
vending machines and parts	needles
airbrakes for railroad cars	skis
skates	warranty repairs
some papermaking machinery	motorcycles

- For other goods, tariffs will be eliminated in five equal steps, starting on January 1, 1989, for example:

subway cars	chemicals including resins (excluding
printed matter	drugs and cosmetics)
paper and paper products	furniture
paints	hardwood plywood
explosives	most machinery
aftermarket auto parts	

- All other tariffs will be eliminated in ten equal annual steps, most starting on January 1, 1989, for example:

most agricultural products	steel
textiles and apparel	appliances
softwood plywood	pleasure craft
railcars	tires

Source: Government of Canada, "The Canada - U.S. Free Trade Agreement and Industry: an assessment".
Copy 01-09-88, Table 4.1, p. 32.

TABLE 3.3

EXAMPLES OF TARIFF PHASING

PRODUCTS	TARIFF RATE					QUANTITATIVE RESTRICTIONS RATES	
	1988	1989	1993	1995	1998	1988	1989 1998
1. Food and Beverages							
Most of the agricultural products which:	10,8	9,7	5,4	3,2	0	9,3	Maintained or slightly higher if necessary.
- Poultry							
- Dairy products	7,9	7,1	4,0	2,4	0	19,4	Maintained
- Soft drinks	14,3	12,9	7,6	4,3	0	0	
3. Wood							
- Plywood	4,4	4,0	2,2	1,3	0	0	
- Furnitures	13,1	10,5	0	0	0	0	
4. Garments	19,7	17,7	9,9	5,9	0	0	
10. Printing	2,5	2,0	0	0	0	0	
11. Chemical products	0,2	0,16	0	0	0	0	

Source: Gouvernment of Canada, Department of Finance "The Canada - U.S. Free Trade Agreement: An economic assessment. Copy 01-09-88

In effect, the region is continuing to feel the impact of the liberalization of trade that has been the dominant trend for three (3) decades. In 1960, overall custom duties levied by the Canadian government on all imports averaged 10%. In 1988, as a result of the two rounds (Kennedy Round and Tokyo Round) of GATT negotiations, that figure had dropped to 3.5%. The Free Trade Agreement simply means a gradual futher lowering of that figure to 2% over ten years, between now and 1998.

A region like the Northwest would have had much more to fear from a rejection of the Agreement than from its implementation. Past experience shows that when it comes to protectionist measures, our neighbour to the South has tended to treat Canada just like any other trading partner. For example, in 1985 the united States slapped an import duty of 35% on cedar shakes and shingles from Canada. In the lumber area, American protectionist actions forced Canada to impose a 15% tax on the export of lumber shipped into the United States.

At the moment, the United States is experiencing a record $138 billion trade deficit. The Omnibus Bill on International Trade was proposed to attempt to deal with the situation. The terms of the Free Trade Agreement will protect Canada from most of the rigorous restrictions contained in that bill.

Our conclusions parallel those of André Leclerc:(1)

> **"In conclusion, we support the signing of the Free Trade Agreement because it will help improve the quality of life of consumers, and give a more stable access to the American market to producers, in the Acadian region of New Brunswick. However, we must not expect dramatic changes in the area of employment.**

Estimates of new employment in the range of 2,300 attest to the limitations of the Agreement in this respect. Yet the employment situation in the region is such that we can't afford to overlook any potential for growth, however limited it might be."

Applying the projected rate of growth in employment to the population of the Northwest yields an estimated 250 new jobs. According to the Economic Council of Canada (2), new jobs in New Brunswick will be primarily in the areas of construction (17%) and services (70%). This shows that the economic impetus provided by the Agreement is expected to result primarily from increased local consumption.

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(1) André Leclerc "L'économie des régions acadiennes du Nouveau Brunswick et l'Accord de libre-échange canado-américain". Groupe de recherche sur l'Acadie contemporaine. Centre universitaire Saint-Louis Maillet, Université de Moncton.

(2) Economic Council of Canada, "Venturing Forth. The Free Trade Agreement Canada-U.S.: an Assessment." 1988.

CHAPTER 4.0

DEVELOPMENT OPPORTUNITIES BY SECTOR

4.0 DEVELOPMENT OPPORTUNITIES BY SECTOR

4.0 GENERAL COMMENTS

The overview brought into focus a number of regional strengths and weaknesses which will have a definite bearing on the pace of economic development in the region.

A limited local and regional market,
a labour force that lacks specialized skills,
a lack of technical personnel,
a transportation system lacking adequate air and rail services,

all of these tend to limit the potential for growth.

It should also be pointed out that the firms providing the bulk of employment are controlled from outside the region. For example: Fraser, Square D, and Nadeau Shermag, the three biggest employers in the region, account for 45% of employment in the manufacturing sector. Yet the decision centres of all three are outside the region, and for the most part decisions are based on factors other than those related to regional growth.

On the other hand, the region offers certain advantages that somewhat offset the constraints:

- good highway links to the rest of the Maritimes, Quebec and the Northeastern United States;

- generous government incentive programs to foster the implementation of new industries;

- adequate hospital, social and educational services, and

- the presence of the Research and Productivity Council (RPC).

In addition, most of the industrial sectors in the Northwest should benefit from the implementation of the Free Trade Agreement.

How do these strengths and weaknesses impact on each of the major industrial sectors in the region? Which of the industrial sectors hold the greatest promise for innovation and growth? Which are in decline?

4.2 FOREST PRODUCTS

The prospects vary from sub-sector to sub-sector.

In the area of pulp and paper, Fraser is under outside control and has little carry-over effect on other industrial sectors. In fact it is only minimally integrated into the local economy and its participation with regard to the purchase of goods and services remains minor.

With regard to the primary resource, the supply seems secure provided the reforestation projects already underway continue as planned. In the long term, it is expected that the quality of the resource will diminish somewhat (smaller trees).

The NWIC's actions in this economic sub-sector, as with all firms controlled from outside the region, should be aimed at encouraging integration into the local economy (local purchase of goods and services, maintenance of equipment, supplies and the manufacture of spare parts).

The wood products industry (lumber, laths, shingles ...) should be encouraged by the implementation of the Free Trade Agreement which, at the very least, will open up the American market. Moreover, the growth in the construction industry that is expected to result from the Agreement bodes well for the prospects of this sector in the Canadian market. It seems that there is a real potential for growth in this relatively labour intensive industry.

It is therefore recommended that the NWIC pay particular attention to developments in this sector, especially to opportunities for the expansion or diversification of the businesses involved. It should also be helping businesses with limited experience in trading with the Americans to develop the necessary knowledge and skills.

With reference to the Free Trade Agreement, it is in the best interest of the NWIC to favour the expansion of sectors which already enjoy a relative production advantage, primarily those that are involved in the use and transformation of ligneous matter. To this end, the most rational and efficient use of ligneous matter should be promoted. For example, wood chips should be used for the production of pulp rather than whole trees which are better suited to producing good quality lumber.

The Comission should continue to encourage new businesses to become involved in the production of high value added wood products especially since local manpower costs enjoy a competitive advantage over those of the neighbouring states. There may also be possibilities for involvement in other activities ancillary to such areas of production. Some of these subsectors might be:

- plywood and panneling;
- wooden boxes and crates;
- coffins;
- office furniture.

To these activities should be added business services and other complementary services.

4.3 FOOD AND BEVERAGES

In the coming years, this sector may experience some hardships. Already, one of the producers has announced the closing of its Edmundston plant and will move its operations to Saint John. It is essential that new markets be found for the fifty or so milk producers in the area. One possibility might be the creation of local cooperative for the processing of dairy products. It might:

- provide a market for milk producers;
- provide employment for all or most of the workers laid off by Crémerie Belzile.

A bakery, which has seen a constant drop in its manpower since 1981, is also in need of some plan to maintain or increase its manpower requirements.

With regard to the poultry sector, new avenues based on processing and packaging must be sought in order to increase the value added to these products. Also, diversification bears considering:

- the raising, slaughter and packaging of goose, duck, turkey...

- products made from chicken: pressed chicken and other cold cuts, chicken pot pies...

4.4 THE GARMENT INDUSTRY

The garment industry is second only to forest products among the region's manufacturing industries. Thanks mainly to the low cost of its manpower, the garment industry in Northwestern New Brunswick is in a good competitive position relative to manufacturers in the U.S. and in Quebec. The Free Trade Agreement does not constitute an *a priori* threat to the regional garment industry. The threat lies elsewhere. In the medium term, as a result of the GATT agreements, stiff competition from Asian countries will continue to exert pressure in spite of current quota policies. The garment industry is really made up of two (2) sub-industries, one more vertically integrated sub-sector ("La Chemise JML Ltée), and a sub-sector that is much less integrated and is highly labour intensive, the sewing shops. Considering the circumstances under which these shops were set up in Edmundston, they have been and will remain extremely vulnerable until such time as they become more vertically integrated.

To ensure the survival of this sub-sector in the medium term, efforts must be undertaken to make it more competitive. More emphasis will have to be placed on the sub-sectors with the greatest value added; shops will have to be modernized (robotized) while minimizing the negative impact on employment. Garment industry shops that rely exclusively on the advantage of available cheap labour will have to upgrade. To keep up with modernization, worker development programs will have to be implemented to bring the labour force up to speed with the new technology.

4.5 OTHER INDUSTRIES

Two (2) industrial sectors show signs of growth and promise for the future: plastic products and transportation equipment. The dynamism of the players has been the major factor. Some of the new producers have become serious competitors. One such produces signs (Enseignes Impériales) and another (Dynamic Fibres) produces fiberglass truck bodies.

The greatest potential for growth seems to lie with these industries and with the manufacturing of machinery and metal products. And it is among these companies that efforts to create linkages must first be concentrated. By keeping supply contracts and sub-contracting in the area, imports can be reduced (manufacture of substitutes) and a dynamic business climate created that is conducive to the implementation of new firms and to the expansion and diversification of existing businesses. The whole process is supported by the presence in Edmundston of the Research and Productivity Council which can assist in the development of new technologies applicable to local industries.

In its role as a stimulator of economic growth and development, the NWIC has a crucial part to play in facilitating communication among entrepreneurs of these industrial sectors, providing access to information and establishing contact with related businesses in other areas.

Specific actions can be undertaken by the NWIC to stimulate the development of local cooperation: directory of locally available industrial products, meetings with entrepreneurs, setting up a sub contracting show, visits to industries, etc.… These actions will be examined in more detail in the chapter on development strategies.

CHAPTER 5.0

EVALUATION OF THE ECONOMIC DEVELOPMENT STRATEGY

5.0 EVALUATION OF THE ECONOMIC DEVELOPMENT STRATEGY

5.1 INTRODUCTION

5.1.1 Issues

Was the economic development strategy recommended by SECOR Inc. followed by the NWIC and should it be kept as is or modified to reflect the new economic and institutional reality?

5.1.2 Context of the SECOR study

The strategy for the economic development of the North-western region was prepared and presented by SECOR Inc. in 1981.

The period immediately preceding the study were the first years of the NWIC. At the time, the Commission was not targeting any specific objectives. Any project likely to generate funds (particularly from the federal government) was seen as contributing to economic development. At the time, significant sums were available in New Brunswick for the development of infrastructures (Subsidiary Agreement on the Development of Infrastructures). A number of municipal infrastructure projects were financed during this period.

In 1981, Rino Pelletier took over as General Manager of the Commission. His background and interests were much more in the area of private enterprise. All over the province, inspired by the Department of Commerce and Technology, industrial commissions had begun to evolve economic development stategies, while, on the other hand, funds for the development of infrastructures had begun to dry up.

5.2 SECOR STRATEGY - 1981

SECOR noted that, in 1981, the region had a good economic base. This sound economic base was handicapped, however, by its lopsided dependence on the forest products industry and the hugely disproportionate role played by one employer, Fraser Inc.

SECOR underlined the need to diversify the region's economic structure. The tertiary sector, it pointed out, was particularly weak and in need of bolstering.

In summary, the economic development strategy recommended by SECOR rested on the following five (5) points:

R.1 Support conditions favourable to the creation of new base industries in the region.

R.2 Support the expansion of base industries that show a good potential for growth.

R.3 Support the creation of two to four well structured and well financed locally controlled medium sized companies.

R.4 Favour three (3) sectors in particular: wood products, metal and machinery, and agriculture and food processing.

R.5 Support the development of Edmundston as a service centre.

In implementing this strategy, the Commission was to be guided by the following five principles:

P.1 Set clear and precise objectives.

P.2 Concentrate efforts on certain selected businesses.

P.3 Operate on a tight work schedule.

P.4 Obtain the cooperation of various departments and organizations.

P.5 Make judicious use of the Commission's funds.

More specifically, the five year plan called for the creation of 550 new base industry jobs as well as for the implementation of 15 base sector businesses. In this context, "economic base" refers to all the activities involved in the exportation of products outside the region, while "induced sector" signifies all the activities resulting from local demand.

" The proposed strategy has set as a goal the creation of 550 new base sector jobs. This repesents a 14% increase over five (5) years. The new jobs will be provided by existing businesses (490) and new businesses (230). We also anticipate that 170 jobs will be lost, largely in the primary base sector, between 1981 and 1986." (SECOR 1981 p. 147)

It should be noted that, aside from the quantitative objectives, SECOR recommended firm positions on certain development options:

1- To devote little effort to tourism or to the development of infrastructures.

2- Concentrate on helping existing dynamic enterprises.

3- Adopt a "pro-active" approach with certain businesses in selected sectors and a "reactive" approach with other sectors.

4- Promote a climate favourable to the development of business and the emergence of new enterprises.

Along with the general strategy, SECOR offered a detailed action plan. The action plan consists of a group of principles and guidelines relating to the running of the Commission, as well as specific recommendations about making the best use of its personnel's time. SECOR also recommended specific actions, qualifying businesses as either dynamic, ready, quiet, slowing down or regressing.

5.3 QUANTITATIVE GOALS SET BY THE NWIC

The 1983-84 NWIC Annual Report refered to the quantitative goals contained in SECOR's 1981 economic development strategy: "At the time of its adoption, our development strategy for the Northwest called for 15 new manufacturing enterprises and 550 new jobs in the first five years. These objectives were set in the first draft of the plan, in July 1981, and became official upon presentation of the SECOR report, in October of 1981." Later, in the 1986-87 annual report, the director of the NWIC reviewed the commission's strategic objectives. They called not only for 550 new jobs and 15 manufacturing businesses, but also for a "rejuvination and diversification of our manufacturing sector." The SECOR report set general principles and strategies. (Recommendations R.1 to R.5). The manufacturing sector was given major consideration, but consideration was also given to existing dynamic businesses, the emergence of medium sized businesses, a desire to have a say in what businesses were to move into the region, and the reinforcement of the tertiary sector in

Edmundston. The principle of selecting sectors was not retained as part of the plan. In setting the quantitative goals, it has been overlooked that SECOR recommended an increase of base sector employment first among existing businesses (+ 583 base manufacturing sector jobs), then among new businesses (230 new base sector jobs).

5.4 RESULTS

If one takes a narrow interpretation of the goals of the SECOR strategy, they appear to have been only partially met (see table 5.1).[1] Employment in existing businesses dropped by 175 jobs over five (5) years, whereas the plan called for + 533 jobs.

On the other hand, the quantitative goals for new businesses were considerably exceeded. Within the five year period, 24 new businesses moved in, well over the the projected 15, for a total of 576 base sector jobs. A more detailed sectorial analysis reveals that the agro-food sector, wood products, and metal and machinery sectors saw growth beyond expectations. The performance of existing businesses rested on rationalization rather than expansion.

(1) The data presented in tables 5.1 to 5.3 differ from the information given in chapters 1 and 2. The socio-economic profile presents an analysis of the entire period 1981-1988, while the Evaluation of the SECOR Report deals strictly with the five year period 1982-1987 to which the plan applied.

TABLE 5.1: FORECASTED AND REALIZED EMPLOYMENT FIGURES

	Increase in Employment 1976 - 1981	Secor objectives (1986)	Observed increase in employment 1981 - 1987
Existing businesses			
Agro-food	65	335	- 53
Garment	49	20	- 55
Wood Products	126	74	-139
Metal & Machinery	46	109	- 21
Other Manufacturing	-18	45	+ 92
Sub-total	268	583	-176
New Businesses	37	230	576
Unexpected closing		-50	
TOTAL	305	763	400

Source: Columns 1 and 2 are from Secor Report, 1981.
The 3rd column is from NWIC calculations.

TABLE 5.2: BREAKDOWN OF NEW BUSINESSES BY SECTOR 1982 - 1987

SECTOR	Number of Enterprises	Employment	%
Agro-food	1	25	4
Garment	9	451	78
Wood Products	4	29	5
Metal & Machinery	5	25	4
Other Manufacturing	5	46	8
TOTAL	24	576	100

Source: NWIC Annual Reports
N.B. : Figures for 1981 and 1987 are not included

TABLE 5.3: BREAKDOWN OF NEW ENTERPRISES ACCORDING TO YEAR OF IMPLEMENTATION

YEAR	Number of new businesses	Closings	Net employment
1981	3	2	28
1982	8	1	208
1983	6		202
1984	2		64
1985	4		74
1986	5		28
1987	4		n.a
TOTAL	32	3	604

Source: NWIC Annual Reports.

It might be said that the ouput of the Commission can be measured by the number of files that were opened, the number of businesses that received grants, and the total amount of the grants received. The number of visits to businesses, the number of businesses receiving help, and the number of grants all grew steadily over the five year period. SECOR had not set goals on direct output (actions) of the NWIC, but rather on its impact (jobs created). Only this year has the NWIC begun to present an annual work plan to the federal and provincial governments. Even now, the NWIC does not quantify its action goals.

The NWIC did not follow all the recommendations for its operation.

First, in keeping with the recommendations, the NWIC did:

a) set up a Board of Directors made up of 19 members including 7 members of the Executive Committee;

b) increase its presence in the business milieu;

c) provide progress reports on the employment situation in the manufacturing sector every four months.

On the other hand, the NWIC did not:

a) adopt a selective policy in its approach to businesses;
b) adopt management of time by objectives.

5.5 EVALUATION QUESTIONS

5.5.1 Did the NWIC follow the recommendations of the SECOR strategy?

The SECOR report contains a complex array of recommendations that the NWIC did not follow in their entirety. SECOR recommended a selective approach to new businesses and banked on significant expansion among existing businesses.

The mitigated success of existing companies in traditional sectors somewhat justified the pragmatic attitude of the NWIC in encouraging all forms of development. The arrival of new garment manufacturers offset the erosion of jobs in the traditional sectors. The garment sector was not even mentioned in the SECOR strategy, yet it accounts for about 80% of the jobs created by new businesses in the five year period of the plan.

The NWIC is therefore vindicated in its decision not to follow too strictly the quantitative goals set by SECOR. It set its own somewhat simpler goals at 550 new base sector jobs in new manufacturing businesses and 15 new businesses. (Assuming that all new jobs in the manufacturing sector would be base sector jobs).

5.5.2 Did the NWIC meet its own objectives?

With approximately 25 new businesses and 600 new jobs, the NWIC more than met its own objectives. The question may still be asked, however, why it chose those specific objectives and why growth in employment among existing businesses was not included.

5.5.3 Did the NWIC follow the methods and procedures recommended by SECOR in 1981?

The NWIC did not strictly follow the methods and procedures recommended by SECOR Inc. in 1981. This is particularly true of the recommendations dealing with the allocation of the General Manager and Assistant Manager's time.

However, an analysis of the Commission's output (successful activities, grants obtained) reveals an impressive use of limited resources that explains the high degree of satisfaction among the Commission's clientele.

5.5.4 Is the NWIC's clientele satisfied with the work of the Commission?

- All the users of the NWIC's services said they were either satisfied or very satisfied with the degree of cooperation they obtained in applying for grants from the federal or provincial governments.

- The users would like to see the NWIC play a larger role as a promoter of economic development in the region.

- Most users had reservations about the NWIC's becoming involved in the tourism sector. They would first like assurances that it would not have a negative impact on the NWIC's primary area of responsibility, helping existing businesses and attracting new ones.

- Non-users of the NWIC's services seem to be definitely in favour of the Commission's becoming more involved with tourism.

- Some businessesmen have expressed concern about having issues of local interest debated on the same basis as economic issues.

- Everyone involved would like to see the roles and responsibilities of Commission staff members better defined.

- On the question of industrial parks, municipalities that don't have full management would like to have a greater say without having to take over the responsibilities of management entirely.

5.5.5 Conclusions:

The development strategy set out in the SECOR plan was never followed to the letter by the NWIC, and this is probably just as well.

Some of the tennets of that stategy remain valid today, such as the emphasis on the manufacturing sector, the confirmation of the Commission's main goal as being to help businesses, the importance of direct involvement in the business community.

On the other hand, the original strategy must be thoroughly modified to take into account the circumstances that prevail today. The notion of selectivity must be abandonned. For now, the NWIC must enter a phase of greater sectorial integration, of maximizing linkages between the different sectors.

PART II

THE FUTURE

CHAPTER 6.0

NATURE OF THE ECONOMIC DEVELOPMENT

6.0 NATURE OF THE ECONOMIC DEVELOPMENT

6.1 INTRODUCTION

This chapter presents an overview of the recommended economic development strategy.

The proposed strategy and action plan are simple and pragmatic. They are based on the kind of development that has taken place so far and on an analysis of the region's strengths and weaknesses. In the first part, we will examine economic development in terms of the lessons learned from the diagnosis of the economic situation, and in the second part, we will situate it with reference to current theories of economic development.

6.2 CHARACTERISTICS OF THE DEVELOPMENT BASED ON OUR DIAGNOSIS

Our diagnosis of the economic situation in the region suggests seven (7) development characteristics:

1- **Reservations concerning the growth and economic development of the region in the last five (5) years.**

- The economic slump of the early 80's had a negative impact on the region's traditional growth industry (forest products) which resulted in a net loss of employment.

- Nonetheless, the sectors managed to survive; the number of closures was contained and these traditional sectors remain the basis of the region's economy.

- On the other hand, the increase in employment and, to a certain extent, economic growth has come from a new sector to the region which no one had even foreseen in 1981: the garment industry - (between 500 and 600 jobs). While the arrival of the garment industry had a positive effect, primarily on female employment, it also, unfortunately, exacerbated the instability of the employment situation (high turn-over rate, increase in the number of unemployment insurance claimants…).

2- Sectorial specialization has not proven a very useful component of industrial strategy.

- It is tempting to make sectorial specialization a part of any industrial development plan, and SECOR yielded to that temptation in 1981. The agro-food and machinery sectors were identified as employment generators. The agro-food sector lost jobs, and the growth in the machinery sector was minimal.

- The limited number of advantages does not justify the risk of missed opportunities inherent to a strategy of sectorial specialization.

3- **In the last five (5) years, little has changed with respect to the strengths and weaknesses of the region.**

- Relative isolation and a lack of transportation infrastructures remain two of the region's greatest weaknesses.

- The main characteristics of the workforce, low salaries and adequate productivity, remain definite advantages.

- The quality of the forest resource is in decline, but it remains one of the region's strengths.

- The population density has remained stable and is a weakness as it is insufficient to provide a proper base for service industries or a significant local market.

4- **The region experienced growth in the tertiary sector, but this growth did not materialize in the "upper" tertiary sector.**

- The sectors of retail sales, government, insurance and the financial sectors all saw an increase in employment; indeed, the tertiary sector played its part in the overall growth of employment over the last five years.

- On the other hand, growth in the businesses of the so-called "upper" tertiary sector (*) was slow. This was particularly true for consultation, engineering services and tourism.

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* An "upper" tertiary business is defined as a business which, rather than simply responding to growth, promotes growth in other sectors.

5- **In spite of its weaknesses and constraints, the region proved rather dynamic in the creation of new businesses.**

- About 25 new businesses opened their doors in the region in the last five years.

- A number of new businesses opened in fields that might at first seem surprising:

  - they are not traditional sectors in the area;

  - they seem not to draw upon what has been generally considered the strong points of the area;

  - the new businesses arose in spite of difficulties, such as the lack of transportation;

  - the new companies were implemented by dynamic entrepreneurs with original ideas.

6- Another thing that characterizes the region is the growth of businesses in relative isolation. Industrial structures were not reinforced and industrial exchanges remain infrequent.

- As expected, development was good among base industries. In other words, expansion affected primarily the exportation of goods outside the area. But it occured entirely in isolation, each player having its own outside market. Because of this, the industrial structure of the region was not reinforced, and the businesses in the region still buy few goods or services from each other (few linkages).

7- **The region remains largely dependent on government programs.**

- All the businesses in the region have benefited from government grants at one time or another, some much more than once.

- There is absolutely no question that without government help the number of new businesses and the extent of the growth would be far inferior to what it has been.

- Government assistance may indirectly increase the number of bankruptcies. Even though the bankruptcy figures for the region remain reasonable, they are on the rise.

- It should also be recognized that unemployment insurance and the provincial welfare plan act as income support mechanisms in the region. The growth of the garment assembling industry in the region has resulted in a greater dependence on U.I.

  The overall number of U.I. claimants in the region is increasing.

6.3 CHARACTERISTICS OF ECONOMIC DEVELOPMENT AND THEORIES OF DEVELOPMENT

6.3.1 There are all kinds of theories of development and all of them claim to provide an explanation of and an infallible recipe for economic development. Some of these theories are divergent, some complementary. An in-depth analysis of all these theories is beyond the scope or the interest of the present study. On the other hand, it may be of interest to place the conclusions of the preceding section into a more conceptual context, and it may help in producing a framework for development.

6.3.2 As we have already mentioned, the theory behind the SECOR report was Growth through Expansion of the Base Sector. The basic idea is simple: exportations outside the region serve as the motor for growth. Growth in the income of base sector employees leads to increased demand for induced sector products which in turn leads to continued growth through the multiplier effect. The base sectors that will experience growth are those that operate on the basis of comparative advantages. This theory was originally proposed as a tool for the analysis of international trade (David Ricardo). The theory only applies in whole to an economy that controls its currency and its terms of trade. With respect to the economy of a region like the Edmundston region, the theory of comparative advantages is merely helpful in explaining the location of new businesses there. When an area is relatively depressed, the government may attempt to correct the situation, and the help offered to new businesses is offered in the name of the theory of infant industry. Under the terms of this theory, government help is made available to new businesses during their first few years of development.

6.3.3 There are other theories that attempt to define the terms economic growth. Some of these start with the assumption that economic growth originates within the community or the region. The human factor becomes the motor of economic growth. Examples of these are the theory of local development and the theory of entrepreneurial function. Development rests on the application of ideas developed by local entrepreneurs who are also innovators.

Therefore, the function of the government is to create an atmosphere conducive to the blossoming of the entrepreneurial function. The economic growth of relatively depressed areas then depends on small and medium sized businesses, the real sources of innovation. Attempts to attract large plants into the area to generate economic growth are seen as futile and counter-productive. The principle for growth, according to these theories, is "small is beautiful", and the accent must be placed on the development of the region's human potential.

It is not our purpose to provide an exhaustive review of the process of business development. However, it should be noted that businesses often innovate by imitation or by substitution of imports from outside the province or the region.

6.3.4 Cluster analysis should be added to the two general theories of economic growth outlined above. The principle is simple: seek out opportunities for development upstream and downstream from the areas already experiencing growth. In addition, if business exchanges in the region are either infrequent or inexistant, opportunities to develop them must be sought and promoted. Of course, such an approach doesn't guarantee growth, but it does provide another way of seeking out opportunities for development.

6.4 CONCLUSION

In conclusion, it is important to note that there has not been, nor will there be, a new miracle sector, nor is there a fool-proof theory of economic growth that guarantees results. **Enlightened pragmatism must be our guide**. The three general theories of growth should be seen to be complementary. And, indeed, the first three axes of the development plan flow directly from the three general theories for economic growth.

The first axis calls for a reinforcement of the traditional sectors; the second, for a growth in the entrepreneurial function, and the third, for the development of inter businesses exchanges (linkages). To these is added a fourth axis, the development of a sector that has not yet reached full maturity: tourism.

CHAPTER 7.0

STRATEGY AND FIVE YEAR ACTION PLAN

7.0 STRATEGY AND FIVE YEAR ACTION PLAN

7.1 SECTORIAL ORIENTATIONS

Earlier, we explained why we didn't feel a sectorial approach was appropriate for the NWIC. Consequently, we have recommend an approach based on axes of development.

Of course, this does not mean that the NWIC must not follow the perspectives of each of its important economic sectors. That is why we are presenting a table that summarizes the proposed sectorial orientations of the NWIC (table 7.1) before presenting the details of the recommended strategy for the NWIC.

7.2 THE DEVELOPMENT AXES

The five year action plan of the NWIC for the period 1989-1993 rests on development axes or basic orientations. Together they make up the strategy and define the long term objectives for the economic development of the Northwestern region. These axes establish the principle stakes of economic development and define priorities for the allocation of the NWIC's financial and human resources.

The axes are based on an objective evaluation of current socio-economic conditions in the NWIC region and the population's expectations regarding the NWIC.

It is therefore recommended that the plan be based on four (4) priority development axes:

TABLE 7.1

OUTLINE OF SECTORIAL ORIENTATIONS

SECTOR	DOMINANT SUB-SECTORS	ISSUES	ORIENTATIONS
FOREST AND WOOD PRODUCTS	Pulp and paper	- quality of the ressource may be in decline in the becoming years. - very competitive market requiring constant upgrading.	- support reforestation and optimal utilization of forest resources. - modernization of pulp and paper sector.
	First stage processed products: Shingles, Lumber	- potential difficulties in the availability of wood for the future; wood already imported in large part from U.S.A.	- greater integration with U.S. market (joint ventures, acquisition)
	Furniture	- availability of hardwood may be a problem in the future; much already imported from U.S. - opportunities lie in diversification	- greater integration with U.S. market (joint ventures). - expansion through diversification.
AGRO-FOOD	Beverages: milk	- milk producers (SO) have no more local market.	- protect milk production and find alternative products from milk derivatives.
	Livestock: poultry	- supply and demand constraints limit expansion. - sub-sectors other than poultry are stagnant.	- diversification: cold cuts, pot pies, fowl other than chicken, etc.
	Other: baking	- local market.	- safeguard businesses.
GARMENT	Design and manufacturing	- sector in which all operations are relatively integrated; fragile protection, quotas and tariffs on imports from Asia.	- modernization (robots); modest expansion possible.
	Sewing and assembly shops	- non-integrated sector that was able to establish itself in the Edmundston area because of favourable circumstances but with no long term commitment to the area. (foot-loose) Stiff competition.	- safeguard the industry - encourage the industry to integrate its operations; support more value added transformation and the use of modern production technology.
MACHINERY, METAL MANUFACTURING AND EQUIPMENT		- sector that didn't live up to its promise of expansion; relies on often fragile external markets; many new starts and closures.	- safeguard existing businesses; - foster the establishment of a stronger base; - facilitate regional linkages
OTHERS	Fast growth - various plastic products	- some companies experienced strong growth and positioned themselves favourable; now facing management problems.	- expansion and management consulting
	Slower growth - many sub-sectors that are not dominant (e.g.: printing)	- the small size of the local market, and their limited ability to export condemn them to stagnation.	- possible linkages must be explored.

7.2.1

AXIS NO. 1

SUPPORT THE REINFORCEMENT OF TRADITIONAL SECTORS

Before trying to attract new companies and foster the emergence of new industries, it is important to maintain, and, if possible, increase employment in the sectors already in place in the Northwestern region. It should be remembered that a 1% increase in the overall workforce of local employers is equal in effect to the opening of a new business offering 27 jobs. As an indicator, consider that of the 73 businesses identified by the NWIC in September, 1988, only 18 had 27 or more employees.

Although ultimate decision making power concerning expansion lies with the regional entrepreneurs, the NWIC can promote and encourage expansion projects through its understanding of the industrial context and its network of contacts and by fostering meetings and associations bringing together local business people.

In order to properly pursue this axis of development, the NWIC must:

- have complete up to date information concerning local economic activity;
- identify market opportunities;
- create an atmosphere of belonging and cooperation among local businessmen.

7.2.2

AXIS NO. 2
PROMOTE THE DEVELOPMENT OF INTER-INDUSTRIAL EXCHANGES (LINKAGES)

The goal of this axis of development is:

- To give local businesses access to new markets within their own region by allowing them to identify potential customers and local alternatives to imported supplies.

This axis will lead to a reinforcement of the industrial base and foster business opportunities from within the existing industrial structure.

7.2.3

AXIS NO. 3

ENCOURAGE ENTREPRENEURSHIP

The NWIC has a leadership role to play in providing and fostering a climate of entrepreneurship in the region.

Fostering entrepreneurship also means identifying potential entrepeneurs. Experience shows that they may be found in every milieu, in high schools, colleges and universities, in private enterprise and the public sector, as well as among the less advantaged, the underemployed, the unemployed and those on welfare. Fostering entrepreneurship is a long and often difficult tasks. Efforts often run up against tenacious mind sets and prejudices.

Meeting potential entrepreneurs requires the building of an elaborate network reaching into every segment of the community. It also requires the cooperation of all the groups and organizations concerned.

In the short and medium terms, actions may be undertaken to begin finding and fostering the spirit of entrepreneurship among the two broad target groups:

- high-school, college and university students;

- young workers between the ages of 18 and 30.

7.2.4

AXIS NO. 4
PARTICIPATE IN BRINGING TOGETHER THE PARTIES CONCERNED TO FORM A REGIONAL TOURISM ASSOCIATION

Much time and effort has been invested in the development of the tourism industry in Canada over the last 20 years. This industry has undergone phenomenal growth and is viewed by many as providing an alternative or a complement to the manufacturing sector. Many areas have depended on tourism to provide the impetus for growth.

The object of this report is not to examine in general terms the advantages and disadvantages of developing tourism, but rather to consider the advisability of the NWIC's becoming involved in this particular case.

The 1981 SECOR report did not consider tourism a motor for future development and therefore did not recommend that the NWIC devote time or energy to its development.

On the other hand, the 1987 Price-Waterhouse report on development strategies for the Regional Economic Development Commissions of New Brunswick suggests that the REDC's should pay attention to the development of the service sector and particularly to "exportable" services like tourism. These two examples show that there is no consensus concerning the advisability of REDC's becoming involved in tourism.

Our diagnosis of the state of tourism in the NWIC region reveals a situation of underdevelcpment and a lack of any clearly indentifiable local product. This is why the region, which is the gateway to the Maritimes for tourists from Ontario and Quebec, remains a transit area where

tourists rarely linger in spite of adequate lodging and restaurant facilities.

The development of regional tourism will rest, of course, on the valorization of local and regional attractions: Edmundston and the Edmundston area, Grand Falls, Baker Lake, etc. The organization and promotion of the tourism product requires the attention and coordination that can only be provided by a public interest association. Such an association would define and integrate the various components of the product and and promote an overall image of the region. That is why we feel it is imperative that a Regional Tourism Association (RTA) be created for the greater Madawaska region.

We do not feel that the NWIC should provide long term leadership for the promotion of tourism in the region. It would run the risk of becoming overextended and dissipated. However, given its resources and its network of contacts in the area, it could become actively involved in the creation of a RTA in cooperation with Grand Falls Development Corporation, the local Chambers of Commerce and businessmen's associations, as well as the major investors in tourism and recreation (hotels, ski centres…). The NWIC's involvement in such an effort should be limited to a period of two years. The NWIC involvement should take the form of financial assistance as well as the provision of an officer at the disposal of the Association to provide technical support. The first goal of the RTA should be to update the 1978 report on the sector and to recommend a strategy for the de development of tourism.

7.3 ROLE AND FUNCTIONS OF THE NWIC

7.3.1 Role of the NWIC

Regional economic development involves a number of different factors (geographical location, natural resources, history, political context, available manpower, work climate, access to markets and suppliers, local entrepreneurship, etc.), and the concerted efforts of people with varied interests, (industrialists, bureaucrats, elected officials from the various levels of government). Yet potential investors must be shown an overall view of the comparative advantages and of the economic potential of the region as well as a concerted approach uniting everyone concerned. That is why most regions assign the responsibility for economic development to an independent regional organization capable, by virtue of its position in the community and its political independence, of coordinating all the activities and of projecting a unique image of the region.

Generally, it takes a few years from the moment of a project's first conception to its final completion. And we readily concede that when investors are choosing a site, personal contacts and relationships play as important a role as strictly commercial considerations. That's why it is important to ensure continuity with respect to the individuals and organizations responsible for promoting a region, and to shelter the decision making from political change.

Because, for several years, it has channeled all the energies aimed at promoting the Northwest, and because it has gained a good deal of economic expertise, it is recommended that the NWIC be given the following mandat:

"TO STIMULATE AND PROMOTE ECONOMIC GROWTH IN THE NORTHWEST; TO ENHANCE THE ECONOMIC BASE BY SUPPORTING ACTIVE AND POTENTIAL LOCAL ENTREPRENEURS AND BY PROMOTING LOCAL LINKAGES."

The following four (4) statements summarize the role we see for the NWIC:

1- **The NWIC is the best organization for regional economic development.**

2- **The NWIC is the best organization for industrial development.**

3- **The NWIC must serve as a catalyst for all activities that promote the development of the entrepreneurial function.**

4- **The NWIC is not a tool for the management of development instruments and it must therefore gradually free itself from the management of industrial parks.**

This role implies a number of specific functions the NWIC must fulfill in order to achieve its goals. These are defined in the following pages.

7.3.2 The functions of the NWIC

We have identified seven (7) main functions for the NWIC with reference to the proposed development strategy and axes.

Some of these functions are inherent to the role the NWIC must play. Others may not be desirable in themselves over the long term but seem appropriate in the light of our analysis. Indeed, it seems the NWIC must fulfill some functions that would more appropriately be left to other organizations, if they existed. So it is with the management of industrial parks and with activities related to regional development (airport, highways). Hence, in the next few years the NWIC will have to get out of the management of industrial parks and diminish its involvement in the area of "regional development".

The seven (7) functions we propose are the following:

1- INFORMATION

This function includes the gathering and dissemination of statistical and research information on the region and the markets served by the region's industries. This information allows for a closer monitoring of the economic situation. As well, it gives the NWIC a number of tools allowing it to intervene more effectively to reinforce a sector, to promote linkages or, if need be, to rescue businesses.

2- GOVERNMENT BUSINESS ASSISTANCE PROGRAMS

This is the most basic of the NWIC's functions. The NWIC is the ideal link, the drive belt between government programs and active and potential entrepreneurs. In order to fulfill this function effectively, the NWIC must:

- thoroughly understand all aspects of the various programs;
- advertise and disseminate these programs to its clientele;
- provide advice and technical assistance for the preparation of applications;
- move applications along and follow them up until they are approved (or turned down);
- monitor the companies once the grants have been received.

3- CATALYST/ORGANIZER

Another of the Commission's important functions is to act as a catalyst for the various interests and to organize the ideas and energies of the community towards economic development.

This function must serve to foster a sense of belonging and collaboration among local industrialists and promote the emergence of entrepreneurship in the community.

4- LOBBYING

This function should not be attributed per se to the NWIC. At best, the Commission's role should be a minor one. It consists of representing regional projects (airports,roads…) before the political bodies concerned. In the past , the NWIC has done some lobbying out of necessity because there were no other local presssure groups or organizations. The Commission filled a gap, but hopefully it will be increasingly able to cede this function to more appropriate bodies in the future. In time it will free itself of all lobbying functions in order to concentrate on its fundamental role.

5- MARKETING/PROMOTION

This function consists in "selling" the region to outside investors, motivating them to invest and to set up their businesses there.

6- CONSULTING

This function, which consists in providing orientation and management consulting to regional businesses, aims at sector reinforcement, creating linkages and developing the entrepreneurship. It may be exercised in various ways: the specialists at the NWIC can provide direct consulting services, or the NWIC can itself call upon the services of consultants, or pass a case along for analysis to a locally constituted advisory group.

7- MANAGEMENT

This refers to the management of instruments of economic development and specifically to the industrial parks the NWIC is currently managing. We do not feel this function is an appropriate one for the Commission. However, we are aware that the NWIC was called upon to take on the management of these parks because the municipalities in which they are located lacked the resources to do so themselves. We recommend that the Commission consider ways and means of progressively divesting itself of this responsibility.

From each of these functions there follow a number of activities all aimed at the achievement of the proposed NWIC action plan. The activities are presented in the following section.

7.4 ACTIVITIES

7.4.1 Description of activities

Thirty-three specific activities have been identified. Each of these corresponds to a task that must be included in the NWIC's action plan. The breakdown of activities by function is as follows:

FUNCTION	NUMBER OF ACTIVITIES
INFORMATION	5
PROGRAMS	5
CATALYST/ORGANIZER	10
LOBBYING	3
MARKETING/PROMOTION	5
CONSULTING	3
MANAGEMENT OF ASSETS	2
TOTAL	33

To these activities must be added those required for the administration and day-to-day running of the NWIC. We have identified six (6) of these:

- OFFICE AND PERSONNEL MANAGEMENT
- BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE
- PREPARE ANNUAL WORK PLAN AND REPORT
- PREPARE THE BUDGET
- TRAINING, CONFERENCES, ASSOCIATION MEETINGS
- SOCIAL ACTIVITIES

Tables 7.2 to 7.9 give a breakdown of the activities related to each of these functions.

7.4.2 Breakdown of activities by axis of development

The activities will serve as the basis for the action plan. However, it may be appropriate to begin by presenting the relationship that exists between the activities and the axes of development that define the NWIC's strategy. These relationships are presented in table 7.10. Most activities and functions relate to several of the axes of development, though some others relate primarily to a specific one.

Hence, the marketing/promotion function and related activities apply primarily to the reinforcement of existing sectors, while the activities related to the information function apply to all the axes of development. It can be seen that the activities related to "lobbying" and to "management of assets" apply to none of the axes of development. This supports the idea that these functions are not are not essential and that the NWIC must try to divest itself of or reduce its responsibilities in these areas.

TABLE 7.2

INFORMATION RELATED ACTIVITES OF THE NWIC

ACTIVITY	DESCRIPTION
I.1 Contacts and data collection	Maintain regular contact with the officers responsible for the analysis of data and follow-up of the different sectors at the Department of Commerce and Technology, DRIE and other Departments and organizations in order to obtain studies and statistical reports containing vital information about changes in the markets, products and industrial prices in New Brunswick and elsewhere.
I.2 Survey of Employment in manufacturing sector	Continue the bi-annualsurveys of Employment in the manufacturing sector begun in 1981.
I.3 Business directory	Produce, update and distribute a business directory for the region, listing businesses by sub-sector (garnment, plastics, machinery) in accordance with the Standard Industrial Classification (SIC) and providing details concerning the goods produced. The existing provincial directory may serve as a starting point.
I.4 Survey of services	Produce and annually update a report on the establishments and employment in the tertiary sector: business services, government services, hotels, transportation, etc.
I.5 Newsletter/ Press releases	Put out a quarterly newsletter for local entrepreneurs and managers including: an editorial, a report on the significant events affecting the economic life of the Northwest (investments, openings, appointments), the profile of a local business, analysis of the prospects of a local industry, results of surveys and studies carried out by the NWIC. Regularly send press releases to the local media.

TABLE 7.3

PROGRAMS RELATED ACTIVITIES OF THE NWIC

ACTIVITY	DESCRIPTION
P.1 Knowledge of programs	Thouroughly master every aspect of government programs of financial assistance.
P.2 Dissemination of programs	Disseminate program information to all entrepreneurs and potential entrepreneurs in the region.
P.3 Technical support	Provide assistance to businesses applying for grants.
P.4 Follow-up applications	Channel each application to the appropriate Department or organization and follow its progress. Keep the applicant up to date on the status of the application.
P.5 Businesses monitoring	Advise grant recipients concerning new investments, administration, organization and marketing. Refer them to more highly specialized consultants if need be.

TABLE 7.4

ACTIVITIES OF THE NWIC RELATED TO ITS ROLE AS

CATALYST/ORGANIZER

ACTIVITY	DESCRIPTION
A.1 Business brochures	Convince businesses in the region to produce brochures showing the full range of their products. These could be used by the NWIC for promotion.
A.2 List of imported products	With the cooperation of businesses, establish a sectorial list, (wood, plastics, metal, etc.), of all the supplies imported in from outside the region and identify those it would be feasible to produce locally.
A.3 Annual exhibition of local products	Organize an annual exhibition of regional products for local entrepreneurs and the general public. The exibition might be held during the **"Small Business Week"**.
A.4 Face to-face	Organize periodic meetings (maybe twice a year) that would take the form of face-to-face groups, (rather than suppers or conferences), bringing together a small group (sectorial or otherwise) of businesses managers to discuss (perhaps with a guest expert) questions of mutual interest: unionism, access to outside markets.
A.5 Awards of Excellence	Offer an annual award of excellence to the regional business that stands out for its achievements over the year (expansion, new product, new business, etc); present the award at the closing of the annual exhibition.
A.6 Industrial Committee	Work with the Chamber of Commerce to create a permanent Regional Industrial Committee to: - serve as a lobby group for the development of industry expertise, - promote linkages among local businesses.
A.7 "Young Entrepreneurs and Innovators"	Initiate a "Young Entrepreneurs and Innovators" competition aimed at fostering entrepreneurship among 18 to 30 year olds (students and workers) in the region. The contestants would be required to set up a manufacturing facility or to come up with an innovative idea. The contest should be sponsored by the NWIC, in collaboration with the College, the University, the Chamber of Commerce, the FBDB, local businesses and the Productivity and Research Council (PRC).
A.8 Involvement with students	Organize meetings with students on a periodic basis (perhaps two per year), in the high schools, the College and the University, to involve students in the economic life of the region, to introduce them to the NWIC and its services and to identify potential future entrepreneurs. The meetings would deal with: - the role and operation of the NWIC, - information on grant programs, - the experiences of local entrepreneurs
A.9 Create a RTA	The development of regional tourism rests on the valorization of local and regional attractions: Edmundston and the surrounding area, Grand Falls, Baker Lake, etc. The organization and promotion of the tourism product requires the attention and coordination that can only be provided by a public interest association. Such an association would define and integrate the various components of the product and promote an overall image of the region. It is imperative that a Regional Tourism Association (RTA) be created for the greater Madawaska region. We do not feel that the NWIC should provide long term leadership for the promotion of tourism in the region. It would run the risk of becoming overextended and dissipated. However, it could become actively involved in the creation of a RTA in cooperation with Grand Falls Development Corporation, the local Chambers of Commerce and businessmen's associations, as well as the major investors in tourism and recreation (hotels, ski centres..). The NWIC's involvement in such an effort should be limited to a period of two years and should take the form of financial assistance as well as the provision of an officer (to provide technical support) to the nascent Association. The first goal of the RTA should be to update the 1978 report on the sector and to recommend a strategy for the development of tourism.
A.10 Operation "Open House"	Organize an annual "Open House" on which one or several regional businesses would welcome the public and provide tours of their facilities. The object would be to foster a spirit of entrepreneurship in the community and to promote local businesses.

TABLE 7.5

LOBBYING RELATED ACTIVITIES OF THE NWIC

ACTIVITY	DESCRIPTION
1.1 Transportation infrastructures	In cooperation with the Chamber of Commerce, elected officials and other interested parties in the region, undertake or carry foreward representations to the appropriate government authorities in order to provide the Madawaska region with regular air transportation either at St Leonard or at Edmundston. Apply the same kind of pressure concerning the highway system and the withdrawal of service by CN.
1.2 Tourism	Along with other regional organizations, make representations to the appropriate government authorities concerning tourism in the region.
1.3 Other major concerns	Along with other regional bodies concerned, make presentations to the appropriate government authorities concerning all questions significantly affecting regional economic development.

TABLE 7.6

MARKETING/PROMOTION RELATED ACTIVITIES OF THE NWIC

ACTIVITY	DESCRIPTION
M.1 Inventory of buildings and lots available	Keep a running inventory of lots and buildings available for new businesses.
M.2 Annual update of the socio-economic profile	Update the socio-economic profile of the region once a year.
M.3 Semi-annual labour market indicators	Maintain regular contact with the officials of the local EIC and monitor regional labour market indicators: number of new openings by activity, positions that remain difficult to fill, salary trends...
M.4 Dealings with head offices of local businesses	Maintain regular contact with the managers of local plants and, if possible, with a person at head office. Try to obtain advance information concerning expansion plans in order to take full advantage of such plans at the regional level.
M.5 Representations and Visits	Organize representations and visits to businesses on behalf of local entrepreneurs in order to help in the search for new development opportunities.

TABLE 7.7

CONSULTING RELATED ACTIVITIES OF THE NWIC

ACTIVITY	DESCRIPTION
C.1 Committee of Senior Managers	Create a "Committee of Senior Managers" made up of a small number of experienced and dynamic local entrepreneurs. The function of this committee would be to provide technical advice to businesses in trouble and to assist in "rescue operations". The general manager of the NWIC would be a member of such a group.
C.2 Consulting	Set aside funds to allow the NWIC to hire specialized consultants to help rescue businesses or to help out in other extreme circumstances. The consultants would provide advice on appropriate strategies to the NWIC and not directly to entrepreneurs.
C.3 Diagnosis of problems and identification of appropriate resources	This important function consists in providing advice to entrepreneurs who find themselves beset by management, marketing or financial problems and in helping them properly diagnose their difficulties. Direct them to the resources best suited to helping them solve their problems.

TABLE 7.8

ACTIVITIES OF THE NWIC RELATED

TO MANAGEMENT OF ASSETS

ACTIVITY	DESCRIPTION
G.1 Management of industrial parks	Continue to manage industrial parks.
G.2 Divestment of responsibility for the management of industrial parks	Examine the entire question of industrial park management. Consider ways of progressively transfering responsibility for their management to more appropriate bodies.

TABLE 7.9

ADMINISTRATION RELATED ACTIVITIES OF THE NWIC

ACTIVITY	DESCRIPTION
X.1 Internal management	Personnel and office management.
X.2 Board and Executive meetings.	Prepare, attend and keep minutes of Board of Directors and Executive Board Meetings. All members of the NWIC should be present at these meetings.
X.3 Annual Report and Work Plan	The general manager is responsible for producing an Annual Report and an Annual Work Plan for approval by the Board of Directors.
X.4 Budget	The general manager is responsible for preparing the annual budget and having it approved.
X.5 Staff development, conferences and associations	Participation with Executive Committee approval, of one or more NWIC staff members in these various events.
X.6 Social activities	Organize social events for members of the Board of Directors.

TABLE 7.10

RELATIONSHIP BETWEEN DEVELOPMENT AXES AND ACTIVITIES

FUNCTIONS/ACTIVITIES	AXIS 1 REINFORCEMENT		AXIS 2 LINKAGES	AXIS 3 ENTREPRENEURSHIP	AXIS 4 TOURISM
INFORMATION	EXPANSION	SAVE			
I.1 Collect information	X	X	X		X
I.2 Industrial survey	X	X	X		
I.3 Business directory	X		X	X	
I.4 Services survey			X		X
I.5 Newsletter	X	X	X	X	X
PROGRAMS					
P.1 Knowledge	X	X		X	X
P.2 Dissemination	X	X		X	X
P.3 Technical support	X	X		X	X
P.4 Follow-up	X	X		X	X
P.5 Monitoring	X	X		X	X
CATALYST/ORGANIZER					
A.1 Business brochures	X		X		
A.2 Imported inputs	X		X		
A.3 Product exhibitions			X	X	
A.4 Face-to-face			X	X	
A.5 Award of Excellence	X			X	
A.6 (Indust) Busi. Comm.		X	X		
A.7 Young innovators Show				X	
A.8 Student relations				X	
A.9 RTA					X
A.10 Open houses	X		X	X	
LOBBYING					
L.1 Transp. infrastructures	N.A	N.A	N.A	N.A	N.A
L.2 Tourism	N.A	N.A	N.A	N.A	N.A
L.3 Other concerns	N.A	N.A	N.A	N.A	N.A
PROMOTION/MARKETING					
M.1 Building inventory	X				
M.2 Socio-econ. profile	X	X			X
M.3 Labour market	X				X
M.4 Head office/subsid.	X	X			
M.5 Representations, visits	X				X
CONSULTING					
C.1 Senior Manager Comm.		X		X	
C.2 Consultants	X	X	X	X	X
C.3 Problems diagnosis	X	X			
MANAGEMENT					
G.1 Management of parks	N.A	N.A	N.A	N.A	N.A
G.2 Divestment	N.A	N.A	N.A	N.A	N.A

N.A.: Not applicable

CHAPTER 8.0

ACTION PLAN

8.0 ACTION PLAN

8.1 INTRODUCTION

This chapter presents the FIVE-YEAR ACTION PLAN for the period1989-1990 to 1993-1994, as well as a detailed plan for the first year of the five year period.

The FIVE-YEAR ACTION PLAN sets priorities and programs activities based on the strategy and its related objectives.

The FIVE YEAR ACTION PLAN is then broken down into yearly periods. Not all of the activities of the plan are necessarily performed each year of the Plan. Some may depend on prior initiation or completion of other activities, and limitations on the human and financial resources of the NWIC preclude the performance of all the activities every single year.

8.2 FIVE-YEAR ACTION PLAN

The recommended FIVE-YEAR ACTION PLAN is shown on table 8.1 in which we have included and shown the relationship between:

- the sequence of activities;
- their place within the overall FIVE-YEAR PLAN;
- their recurrence or continuity;
- concentration of the activity within the period (continuous or occasional).

The frequency of periodic activities (annual, quarterly, semi-annual) is also represented, as are those activities requiring more funds or additional human resources (as compared to the present resources of the NWIC). Among

TABLE 8.1

FIVE YEAR PLAN 1989/90 - 1993/94

ACTIVITIES / YEAR	1989/90	1990/91	1991/92	1992/93	1993/94	COMMENTS
INFORMATION						
I.1 Collect information	.....	.....	.....	.....	.....	Semi-annual
I.2 Industrial survey	— —	— —	— —	— —	— —	H & F /annual
I.3 Business directory		—	—	—	—	H & F/ annual
I.4 Services survey		—	—	—	—	
I.5 Newsletter	...	.. ..	.....	.....	.....	H
PROGRAMS						
P.1 Knowledge	———	———	———	———	———	General Manager and assistant
P.2 Dissemination	———	———	———	———	———	
P.3 Technical support	———	———	———	———	———	
P.4 Follow-up	———	———	———	———	———	
P.5 Monitoring	———	———	———	———	———	
CATALYST/ORGANIZER						
A.1 Business brochures	.....	.....	.....	.....	.....	H.
A.2 Imported inputs	—	—	—	—	—	H & F within the framework of Small Business Week 2 per year
A.3 Product exhibitions	—	—	—	—	—	
A.4 Face to face	— —	— —	— —	— —	— —	
A.5 Award of Excellence	—	—	—	—	—	
A.6 (Indust) Busi. Comm.	.....	———				H & F
A.7 Young Innovators Show		—	—	—	—	
A.8 Student relations	— —	— —	— —	— —	— —	H & F
A.9 RTA	———	———	———			
A.10 Open houses	—	—	—	—	—	
LOBBYING						
L.1 Transp. infrastructures	.....	.....	.....	.....	.....	General manager and assistant
L.2 Tourism	.....	.....	.....	.....	.....	
L.3 Other concerns	.....	.....	.....	.....	.....	
PROMOTION/MARKETING						
M.1 Building inventory	—	—	—	—	—	H
M.2 Socio-econ. profile	—	—	—	—	—	Once/year
M.3 Labour market	.....	.....	.....	.....	.....	Quarterly H
M.4 Head office/subsid.	.....	.....	.....	.....	.....	
M.5 Representations, visits	—	— —	—	—	—	
CONSULTING						
C.1 Senior Manager Committee	.....	.....	.....	.....	.....	F
C.2 Consultants	.....	.....	.....	.....	.....	H & F
C.3 Problems diagnosis	.....	.....	.....	.....	.....	H & F
MANAGEMENT						
G.1 Mangement of parks	———	———	———			H & F
G.2 Divestment		.....	.....			
ADMINISTRATION						
X.1 Administration	———	———	———	———	———	
X.2 Board Meetings	.....	.....	.....	.....	.....	
X.3 Annual report, work program	—	—	—	—	—	
X.4 Budget	—	—	—	—	—	
X.5 Training, conventions and associations	.....	.....	.....	.....	.....	
X.6 Social activities	— —	— —	— —	— —	— —	

Note: H = Extra human resources required
F = Extra funds required

these we find the activities related to consulting, producing a business directory, survey of the service sector, publishing a "NEWSLETTER", and producing an exhibition of local products.

Certain activities require continuous involvement and considerable effort. This is particularly true of activities related to "GOVERNMENT PROGRAMS" which lie at the very heart of the Commission's existence. This function always takes top priority in the allotment of human resources.

The five year plan we are proposing is ambitious and will require more human and financial resources than those currently available to the Commission. However it will be manageable with the additional money the Atlantic Canada Opportunities Agency (ACOA) has committed to the Commissions starting this year. This increase will allow the NWIC to hire extra personnel and involve itself in a greater number of activities.

8.3 ACTION PLAN FOR THE YEAR 1989-1990

The action plan for the year 1989-1990 is outlined in table 8.2. For each activity we recommend be started or completed, the action plan indicates:

- the management personnel responsible for the activity;
- time commitments;
- the outcome expected by the end of the year.[

TABLE 8.2

ACTION PLAN 1989/1990

ACTIVITIES	GENERAL MANAGER	DIRECTOR/ BUSINESS RELATIONS	DEVELOPMENT AGENT	PRIORITY	INDICATOR
INFORMATION					
I.1 Collect information			X	C	N.A.
I.2 Industrial survey			X	1+2	Completed
I.3 Business directory		X	X	2	Completed
I.4 Services survey		X	X	2	Completed
I.5 Newsletter	X	X	X	2	Completed
PROGRAMS					
P.1 Knowledge	X	X	X	C	Key indicators and Employment indicators
P.2 Dissemination	X	X	X	C	
P.3 Technical support	X	X		C	
P.4 Follow-up		X		C	
P.5 Monitoring	X	X		C	
CATALYST/ORGANIZER					
A.1 Business brochures		X		C	Completed by enterprises
A.2 Imported inputs			X	2	Completed
A.3 Product exhibitions	X	X	X	2	Completed
A.4 Face to face	X			1+2	Second year
A.5 Award of Excellence	X			2	Completed
A.6 (Indust) Busi. Committee	X			C	Completed
A.7 Young Innovators Show					
A.8 Student relations	X	X		1	2 per year
A.9 RTA	X		X	C	Starting up
A.10 Open houses		X		1	Completed
LOBBYING					
L.1 Transp. infrastructures	X			C	Number of meetings with government officials
L.2 Tourism	X			C	
L.3 Other concerns	X			C	
PROMOTION/MARKETING					
M.1 Building inventory			X	1	Completed
M.2 Socio-econ. profile	X		X	2	Completed
M.3 Labour market			X	C	Completed
M.4 Head office/subsid.	X	X		C	Nbr of contacts
M.5 Representations, visits	X or	X		1	Nbr of contacts / Nbr of particip..
CONSULT					
C.1 Senior Manger Committee	X			1	Implementation
C.2 Consultants	X	X		C	N.A.
C.3 Problems diagnosis		X		C	Nbr of consult-ation
MANAGEMENT					
G.1 Management of parks	X			C	
G.2 Divestment	X				
ADMINISTRATION					
X.1 Administration	X	X		C	
X.2 Board Meetings	X	X		C	Nbr of session
X.3 Annual report, work program	X			2	Completed
X.4 Budget	X			2	Completed
X.5 Training, conventions and associations	X	X	X	C	
X.6 Social activities		X		1+2	N.A

Priority

C = Continuous
1 = First semester
2 = Second semester

N.A. = not applicable

CHAPTER 9.0

ORGANIZATION AND MANAGEMENT

9.0 ORGANIZATION AND MANAGEMENT

9.1 GENERALITIES

The purpose of this chapter is to outline the changes that will be required in the organization and management of the NWIC in light of the strategy and action plan described in the preceding chapters.

The present structure of the NWIC (a general manager, an assistant manager and a secretary), and the current budget, were adequate for the tasks the NWIC had set for itself. However, we must recognize that in the past years, the resouces of the NWIC, both financial and human, have been stretched to the limit. Even without a broadened mandate, improvements would have been required for the future.

The additional activities recommended more than justify an increase in both human and financial resources.

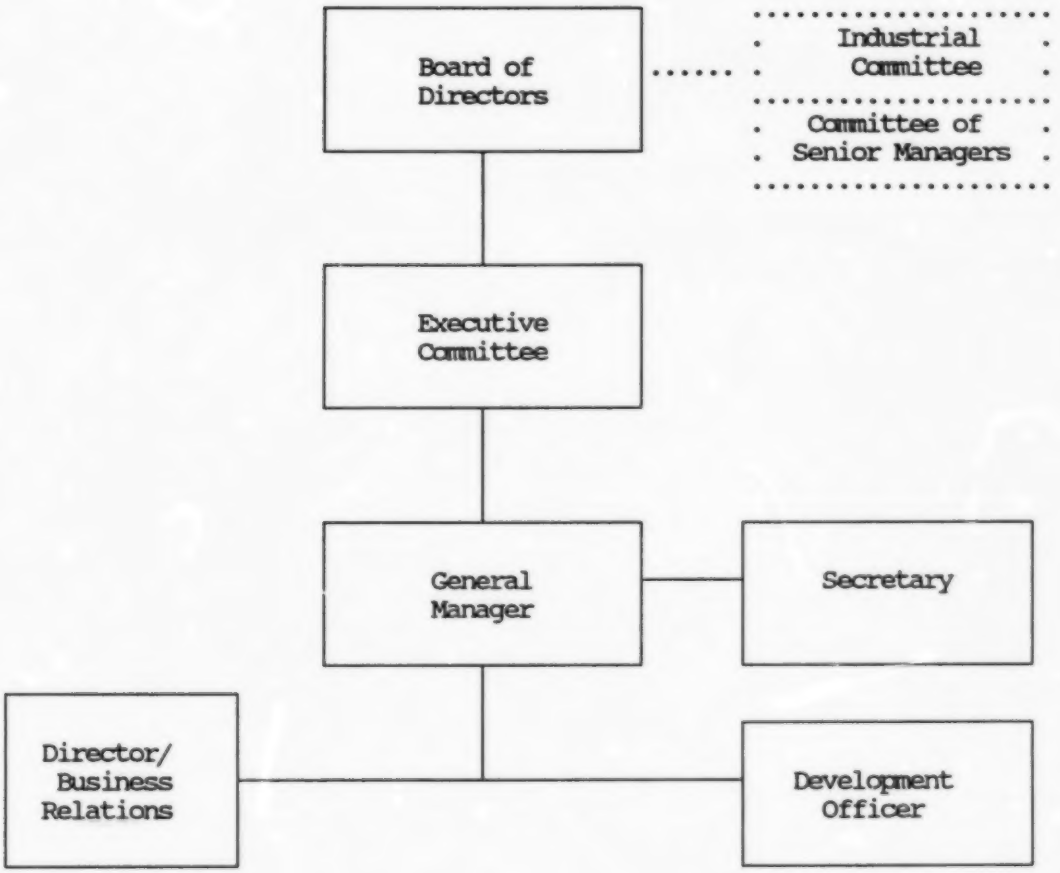
9.2 ORGANIZATIONAL STRUCTURE

The organizational structure of the NWIC is represented in simple form in figure 9.1 which describes the recommended organization chart.

The NWIC's primary function is industrial development and support to businesses has been, and must remain, its principal field of activity.

Figure 9.1

NWIC Organization Chart



By force of circumstance, the NWIC is also a key player with respect to the economic development of the region and it must continue to fulfill its responsibilities in that regard. It's commitments have been clearly outlined in previous sections (axes of development, functions and activities of the NWIC) and the sharing of responsibilities is oulined in the 1989-1990 action plan; in this section, the specific tasks of the NWIC's personnel will be defined.

It should be stated again that the Board of Directors and the Executive Committee are the two bodies with final decision making power over the NWIC.

Aside from the obvious responsibilities with respect to the organization, planning and management of the NWIC (including the management of the industrial parks), the general manager is also responsible for the activities that imply a greater visibility for the NWIC. These include involvements in the community (to promote enterpreneurship), marketing the NWIC to businesses outside the region, as well as lobbying political and government organizations and departments. The general manager is obviously less involved with the cases of individual businesses than is the manager/business relations. The general manager provides final approval and helps out with particularly difficult cases.

Primary responsibility for individual businesses falls to the manager/business relations who oversees support activities, grant programs and consulting activities. The manager/business relations will also have clear responsibilities with respect to the fostering of entrepreneurship within the region, as well as promotion outside the region. The manager/business relations also supervises the development officer with respect to information and research activities.

Technically, the **development officer** is answerable to the general manager. The development officer has a number of tasks and responsibilities, but they fall primarily into two areas, generating information for the accomplishment of catalytic functions, primarily the formation of a RTA, and the organization of shows and exhibitions.

It is important to note that while there is a pressing need for a number of "information" activities, the NWIC should avoid becoming involved in research or studies. An ideal development officer would be a resourceful organizer trained and experienced in analyzing and collating disparate socio-economic and business data.

The organization chart includes two bodies, the Industrial Committee and the Committee of Senior Managers, which, once constituted, will serve the NWIC in an advisory capacity.

The allocation of professional NWIC staff time to their various functions is outlined in table 9.1.

Finally, it should emphasized that the NWIC must avoid becoming a cumbersome bureaucracy. The third staff member is required, but that should be enough for the foreseeable future.

TABLE 9.1

Allocation of professional staff time to their various functions

(in percentage)

Functions	General Manager	Manager/ business relations	Development Officer
1. Information	3.0	10.0	40.0
2. Programs	30.0	50.0	5.0
3. Catalyst/organizer	20.0	13.0	40.0
4. Lobbying	10.0	--	--
5. Marketing	7.0	7.0	10.0
6. Consulting	7.0	10.0	--
7. Management of assets	8.0	--	--
8. Administration	15.0	10.0	5.0
TOTAL	100.0	100.0	100.0

9.3 ADMINISTRATIVE PROCEDURES

Current administrative procedures stand to be improved.

With respect to individual businesses, the only procedure at the moment consists in opening a file where information is then stored in chronological order.

There is also a bi-annual Survey of Employment in the manufacturing sector.

In 1981, SECOR recommended the implementation of:

a) a weekly time sheet for every professional NWIC employee;

b) an ongoing activity record for every business (project) file.

These recommendations have not yet been acted upon and must be strongly reiterated.

Furthermore, the data from these two sources of information should be computerized.

These data are essential for evaluation and planning.

9.4 BUDGET

The NWIC's financial report as well as the budget proposed in the preliminary work plan for 1988-89, dated October 4, 1988, lead to the following conclusions:

1. With the additional money to be provided by the ACOA, some $75,000 for 1988-89 and $150,000 in subsequent years, the existing operating parameters seem entirely adequate.

2. The financial report for fiscal 1987-88 shows a balanced income/expenditure total of $163,000. Only $9,000 (5.5%) were spent on other than operating expenses. That amount and percentage seem inappropriately small.

   The activities called for in the new action plan will require additional expenditures. It should be expected that non operating expenses according to existing budget lines should climb to 15, 20 or even 25% of total expenses.

3. The budget line for travel, conferences and conventions should be detailed and tied to one or another of the specific activities proposed for the NWIC.

   The amounts allocated to these expenditures should not be so high as to jeopardize the financial resources needed for the other activities of the NWIC.

4. It has already been pointed out that the NWIC should progressively divest itself of all responsibility respecting the management of industrial parks. Since the accounts are absolutely separate, this should have no effect on the operating budget of the NWIC.

9.5 EVALUATION

The activities of the NWIC should be evaluated on a yearly basis, every two years at the very least. Evaluations should not be carried out by the NWIC's own staff. While the NWIC should collate all the pertinent data, the evaluation itself should be the responsibility of an independent body (consultant).

It is recommended that the evaluation process be used to review and ,if necessary, modify the economic development strategy and the action plan.

The presentation of the annual action plan contains suggestions as to the standards that should be applied in evaluating each of the proposed activities. Most of them are not quantitative. As for program related activities, a set of quantitative indicators (see key indicators, table 9.2) are proposed.

For the other activities, we have proposed only one quantitative objective.

The only quantitative standard we propose is the following: The growth in industrial employment must be equal to or greater than the growth in (theoretical) labour force in the region. (see example and method in appendix D).

The "theoretical" labour force is the number of workers which, based on the demography of the area, would have fit into the age group considered active, if none of them had left the region.

TABLE 9.2

Key quantitative indicators

1. Number of active files for the year
2. Number of grants over the year
3. Total value of grants obtained over the year
4. Number of new businesses opened in the region over the year
5. Number of jobs created by new businesses over the year
6. Number of closures over the year
7. Number of jobs lost over the year
8. Number of jobs saved as a result of special NWIC actions
9. Net number of jobs created over the year

CHAPTER 10.0

CONCLUSIONS AND RECOMMENDATIONS

10.0 CONCLUSIONS AND RECOMMENDATIONS

10.1 CONCLUSIONS

In spite of efforts to diversify, the economy of Northwestern New Brunswick remains largely dependent on traditional sectors, particularly those related to the transformation of wood. Base industrial sectors did not enjoy the kind of growth hoped for; in fact, they suffered a slight regression with regard to employment.

The growth of key sectors identified for in the 1981 plan never occured. The unexpected surge in the garment industry accounts for a rise in manufacturing sector employment, but the appearance of these new shops was strictly coincidental. It's a sector that remains very fragile, and it must evolve to a much greater value added form of transformation if it is to have any hope of becoming a stable and growing addition to the region.

The net growth in employment must be viewed with caution. The new jobs in the garment industry are mostly unskilled and the wages involved are generally low. Even though they have somewhat offset the loss of jobs in other sectors, it should be remembered that the lost jobs were generally better remunerated.

The region's disproportionate dependence on industries controlled from outside (Fraser, Square D, Shermag, Belzile) exacerbates its vulnerability and its uncertainty with respect to business decisions (cut-backs, closures).

A weakness has also been noted in the limited sub-contracting and inter-business exchanges in the region. Few businesses seem concerned with the notion of buying goods and services locally, and many potential business opportunities are lost as a result.

Growth in the upper tertiary sector is limited due to the sparse population of the region and the surrounding areas. However, in recent years efforts have been made to promote business services and the Commission should encourage activities of this nature.

In light of this consideration, a sectorial approach hardly seems judicious. That is why we are proposing a more comprehensive strategy based on four (4) axes of development.

- reinforcement of existing sectors;
- development of linkages;
- promotion of entrepreneurship;
- forming a group of those involved in the tourism industry.

It must be acknowledged that the traditional functions of the NWIC, which were primarily aimed at the development of the manufacturing sector, seem too limited for today's context. Given the current limits to growth in the manufacturing sector, the NWIC must foster growth in other sectors such as tourism and business services. Concurrently, the NWIC must, in the short and medium term, divest itself of some of the responsibilities it has taken on because of a lack of more appropriate organizations to do the job; these include the management of industrial parks and other responsibilities of a regional nature.

The structure of the NWIC seems adequate for the activities it is involved in at this time. However, the more ambitious program we have recommended will require an increase in human resources. The expected increase in revenues over the next few years should allow for such expansion.

10.2 RECOMMENDATIONS

In conclusion, we consider it essential that the NWIC implement the following recommendations:

R.1 THE NWIC MUST BROADEN ITS MANDATE AND NOT LIMIT ITSELF TO THE MANUFACTURING SECTOR.

R.2 THE NWIC MUST IMPLEMENT THE PROPOSED STRATEGY AND ACTION PLAN.

R.3 THE NWIC MUST PUT INTO EFFECT THE ACTION PLAN FOR 1989-1990. TO THIS END, THE NWIC MUST IMMEDIATELY HIRE A DEVELOPMENT OFFICER.

R.4 THE NWIC MUST IMMEDIATELY SET ASIDE THE BUDGET ALLOCATIONS REQUIRED TO CARRY OUT THE NEW TASKS SET IN THE 1989-1990 ACTION PLAN.

R.5 BEGINNING IN 1989-1990, NWIC STAFF MUST KEEP ACTIVITY PROGRESS REPORTS AND ADHERE TO THE PROJECT FOLLOW-UP SYSTEM RECOMMENDED IN 1981.

R.6 THE NWIC MUST FIND A WAY TO DIVEST ITSELF OF ALL RESPONSIBILITY FOR THE MANAGEMENT INDUSTRIAL PARKS WITHIN TWO YEARS.

APPENDIX A

APPENDIX A

TABLE A-1

POPULATION DISTRIBUTION IN THE NWIC TERRITORY 1981-1986

	1981	1986	Variation 1986/1981 %
Cities and villages			
Baker Brook	527	534	1,0
Lac Baker	292	252	(13,7)
Clair	915	892	(2,5)
Edmunston	12 044	11 497	(4,5)
Rivière-Verte	1 054	978	(7,2)
St-Basile	3 214	3 306	2,9
St-François	753	729	(3,2)
St-Hilaire	244	263	7,8
St-Jacques	2 297	2 310	0,6
Verret	637	524	(17,7)
Sub-total: Cities and villages	21 977	21 285	(3,2)
Parish			
Baker Brook	492	463	(5,9)
Lac Baker	391	414	5,9
Clair	283	318	12,4
Indian Reserve	63	59	(6,3)
Madawaska	158	208	31,6
St-Basile	519	780	50,3
St-François	862	932	8,1
St-Hilaire	462	445	(3,7)
St-Jacques	1 327	1 607	21,1
St-Joseph	1 455	1 615	11,0
Rivière-Verte	821	770	(6,2)
Parish	6 833	7 611	11,4
Total NWIC	28 810	28 896	0,3

Source: Statistics Canada

APPENDIX B

APPENDIX "B"

SUMMARY OF EMPLOYMENT BY SECTOR

SECTORS	1981 JULY	1982 MAY	1983 APRIL	1984 MARCH	1985 MARCH	1986 MAY	1987 APRIL	1988 MARCH	1988 SEPT
AGRICULTURAL PRODUCTS	0	0	1	1	2	2	2	5(3)	2(1)
FOOD INDUSTRIES	306	259(13)	245(4)	251(3)	247(2)	234(4)	255(6)	260(4)	246(6)
BEVERAGE INDUSTRIES	25	17	20	21	23	25	25	25	24
RUBBER PRODUCTS INDUSTRIES	3	3	3	3	7	9	11	11	23
PLASTIC PRODUCTS INDUSTRIES	93	76	73	82(1)	97	105	150	174(2)	213(8)
CLOTHING INDUSTRIES	285	245	405(3)	403	502	612	624	613	562(11)
WOOD INDUSTRIES	217	183	182	146	146	186	186(2)	224(1)	211(4)
PAPER & ALLIED PRODUCTS	1000	1123	942	923	1041	1041	910	1036	910
FURNITURE & FIXTURE INDUSTRIES	210(1)	124(1)	148(1)	160(1)	132	170(1)	145(1)	130(1)	146
PRINTING, PUBLISHING & ALLIED INDUSTRIES	33(1)	33(1)	33(1)	33(1)	35(1)	35(1)	36(1)	36(2)	40(6)
FABRICATED METAL PRODUCTS INDUSTRIES	46	39	21	28(1)	37(2)	43(2)	49(2)	32(2)	29(6)
MACHINERY INDUSTRIES	15	12	9	12	10	0	4	6	7
TRANSPORTATION EQUIPMENT INDUSTRIES	9	8	9	16	18	30	55	71	68(7)
ELECTRICAL & ELECTRONIC PRODUCTS INDUSTRIES	145	96	106	121(3)	121(3)	146	151	154	179(3)
NON-METALLIC MINERAL PRODUCTS INDUSTRIES	34	27	16	11	13	13	6	6	6
CHEMICAL & CHEMICAL PRODUCTS INDUSTRIES	6	10	5	3	3	4	4	4	4
OTHER MANUFACTURING INDUSTRIES	4	4	4	4	6	12(2)	14(3)	14(3)	15(2)
TOTAL	2431(2)	2259(15)	2222(9)	2318(10)	2440(8)	2667(10)	2627(15)	2801(18)	2685(54)

Source: Northwest Industrial Commission Inc.

EVOLUTION OF EMPLOYMENT FROM 1981 TO 1988

ENTERPRISES	1981 JULY	1982 MAY	1983 APRIL	1984 MARCH	1985 MARCH	1986 MAY	1987 APRIL	1988 MARCH	1988 SEPT
AGRICULTURAL INDUSTRIES:									
JALBERT ENTERPRISE			1	1	1	1	1	1(3)	1
RENO NADEAU SUCRERIE								3	0(1)
SUCRERIE MAURICE COUTURIER					1	1	1	1	1
TOTAL:	**0**	**0**	**1**	**1**	**2**	**2**	**2**	**5(3)**	**2(1)**
FOOD INDUSTRIES:									
ENTREPRISES NADEAU LTEE (LES)	205	175	155	162	165	154	174	195	190
LH LAJOIE LTEE	39	25(4)	22(2)	24(3)	25(2)	26(4)	21(6)	21(4)	17(5)
JACQUES NADEAU ENTREPRISE ENRG.	3	1	1	1	1	1			
MORNEAULT POULTRY FARM	9	10	10	9	9	9	9	9	9(1)
CREMERIE BELZILE	50	48(9)	57(2)	55	47	45	48	35	29
INDUSTRIES CORRIVEAU							3	0	1
TOTAL:	**306**	**259(13)**	**245(4)**	**251(3)**	**247(2)**	**234(4)**	**255(6)**	**260(4)**	**246(6)**
BEVERAGE INDUSTRIES:									
BREUVAGES DUREAU LTEE	25	17	20	21	23	25	25	25	24
TOTAL:	**25**	**17**	**20**	**21**	**23**	**25**	**25**	**25**	**24**
RUBBER PRODUCTS INDUSTRIES:									
DUPONT & LESSARD OIL LTEE					4	6	8	8	20
PROVINCIAL BANDAG TIRE	3	3	3	3	3	3	3	3	3
TOTAL:	**3**	**3**	**3**	**3**	**7**	**9**	**11**	**11**	**23**
PLASTIC PRODUCTS INDUSTRIES:									
ENSEIGNES IMPERIAL LTEE	45	35	33	47	58	58	108	140	179(3)
EDMUNDSTON PAPER BOX LTEE	20	17	17	13	20	20	18	17	20(1)
ATELIER NADEAU LTEE	15	17	19	16	8	7	11	8	8(2)
JOHN BAGGIES ENRG.	2	2	2	2	2	5	3	2(2)	0(2)
ENSEIGNES BRUNSWICK ENRG.	7	3							
PUBLICITE GUY RINGUET	4	2	2	1					
PLASTIC PLUS LTEE				3(1)	9	15	10	7	6
TOTAL:	**93**	**76**	**73**	**82(1)**	**97**	**105**	**150**	**174(2)**	**213(8)**

ENTERPRISES	1981 JULY	1982 MAY	1983 APRIL	1984 MARCH	1985 MARCH	1986 MAY	1987 APRIL	1988 MARCH	1988 SEPT
CLOTHING INDUSTRIES:									
LA CHEMISE JML LTEE	225	195	171	165	169	203	174	185	182
L. CHIASSON FOURRURES LTEE	30	16	18	16	15	16	15	17	17(3)
LA GANTERIE CANADIENNE LTEE	30	34	31(3)	20	11	12	21	15	20
MYLI SPORTSWEAR LTEE			86	50	75	75	85	82	85
KARINE SPORTSWEAR LTEE			38	45	46	60	50	55	45
CONFECTION BL INC.			35	44	72	75	84	70	75
MARILYN SPORTSWEAR LTEE			26	35	33	34	36	34	34
RM SPORT				5	8	8	8	12	CLOSED
EDITH SPORTSWEAR				23	25	34	33	30	33(8)
CONFECTION SAR					48	46	57	35	CLOSED
MANON SPORTSWEAR						26	29	26	23
VETEMENTS PDG LTEE						23	32	20	25
LES MODES FRANCE LTEE							21	32	20
DAIGLE JACKET LTEE									3
TOTAL:	**285**	**245**	**405(3)**	**403**	**502**	**612**	**624**	**613**	**562(11)**
WOOD INDUSTRIES:									
COUTURIER LUMBER LTEE	80	50	50	22	20	50	45	90	60
GILLES BEGIN LUMBER LTEE	22	40	28	26	33	33	33	35	35
PELLETIER WOODWORKING LTEE	2	3							
CLAIR INDUSTRIAL DEV. CO. LTD.	21	21	36	42	41	43	43	41	43
CLOUTIER & FILS LTEE	17	10	6						
AA BEAULIEU LTEE	25	17	20	21	23	25	30	30	40
HARDWOOD INDUSTRIES LTEE	16	15		3					
MICHAUX, MORRELL (LATTES WASKA)	12	12	12	10	12	13	13	11	12
ELUDE COUTURIER & FILS LTEE	5	4	3	1	1	3	2	1	
SARTO THERIAULT	5	3	1	2	2	2	3	0	5
REJEAN THERIAULT LTEE	8	7	7			2			
CHARBON DE BOIS MADKA LTEE	3								
LES ENTREPRISES MANCHE ELAN			18	3					
PRO-TRUSS LTEE				4	6	6	6	6	6
CL DECOR				11	6	7	7(2)	7(1)	9(3)
RENO CAMPAGNA					1	1	1	1	1(1)
GUY LORD	1	1	1	1	1	1	1	1	1
SCIERIE NORCO							2	2	0
TOTAL:	**217**	**183**	**182**	**146**	**146**	**186**	**186(2)**	**224(1)**	**211(4)**
PAPER & ALLIED PRODUCTS:									
FRASER INC.	1000	1123	942	1023	1041	1041	910	1036	910
TOTAL:	**1000**	**1123**	**942**	**1023**	**1041**	**1041**	**910**	**1036**	**910**

ENTERPRISES	1981 JULY	1982 MAY	1983 APRIL	1984 MARCH	1985 MARCH	1986 MAY	1987 APRIL	1988 MARCH	1988 SEPT
FURNITURE & FIXTURE INDUSTRIES:									
NADEAU & NADEAU LTEE	201	115	137	150	118	160	135	118	135
CYR CABINET MANUFACTURER	1	1	2	1(2)	6	2	1	1	1
PHILIBERT REMBOURRAGE	1	1	1	1	1	1	2	1	2
GAUVIN REMBOURRAGE	6(1)	6(1)	7(1)	7(1)	6	6(1)	6(1)	7(1)	7
MORNEAULT REMBOURREUR	1	1	1	1	1	1	1	1	1
TOTAL:	**210(1)**	**124(1)**	**148(1)**	**160(3)**	**132**	**170(1)**	**145(1)**	**130(1)**	**146**
PRINTING, PUBLISHING & ALLIED INDUSTRIES:									
IMPRIMERIE MODERNE LTEE	1(1)	1(1)	1(1)	1(1)	1(1)	1(1)	2(1)	2(1)	2(1)
LE MADAWASKA LTEE	32	32	32	32	32	32	32	32	35(4)
SIGNATURE PRESS					2	2(1)	2(1)	2(1)	3(1)
TOTAL:	**33(1)**	**33(1)**	**33(1)**	**33(1)**	**35(1)**	**35(2)**	**36(2)**	**36(2)**	**40(6)**
FABRICATED METAL PRODUCTS INDUSTRIES:									
AD ALUMINIUM PRODUCTS LTEE	2	4							
EDMUNDSTON INDUSTRIES		11	12	24	27	15	28	23	25(1)
RENE PELLETIER & FILS LTEE	35	18							
LAPLANTE MACHINE SHOP LTEE	4	3	3	1(1)	1(2)	1(2)	1(2)	1(2)	2
BEGIN USINAGE						15	8		
IMPERIAL MACHINE WORKS	3	1	2	1					
CENTRE D'ACIER D'ARMATURE					5	8			
BJ SHEET METALWORK							3	2	2
BOUTIQUE DE REPARATION GRONDIN	1	1	1	1	1	1	1	1	1
LES MAITRES ARMURIERS							3	2	
ROY'S ORNEMENTAL SHOP	1	1	1	1	1	1	1	1	1
COUTURIER WELDING SHOP					2	2	4	2	2(3)
TOTAL:	**46**	**39**	**21**	**28(1)**	**37(2)**	**43(2)**	**49(2)**	**32(2)**	**29(6)**
MACHINERY INDUSTRIES:									
ENERGY TYBE LTEE	10	5	3	6	10				
ABM MACHINE WORKS LTEE	5	7	6	6					
PELLETIER EQUIPEMENT							4	6	7
TOTAL:	**15**	**12**	**9**	**12**	**10**	**0**	**4**	**6**	**7**

ENTERPRISES	1981 JULY	1982 MAY	1983 APRIL	1984 MARCH	1985 MARCH	1986 MAY	1987 APRIL	1988 MARCH	1988 SEPT
TRANSPORTATION EQUIPMENT INDUSTRIES:									
JB METAL LTEE							15	14	20
AP METAL LTEE							8	10	10(1)
MAR-FIBRE LTEE						11	10	15	7
DYNAMIC FIBRE LTEE						5	5	16	16(4)
MARTIN ALBERT			1	2	2	2			
DEMARREURS DES MARITIMES				6	8	4	7	7	6(2)
CHARLES' AMBULANCE CONV. LTEE	2	2	2	2	2	2	2		
GRANDMAISON MACHINE SHOP	7	6	6	6	6	6	6	7	7
BIG JOHN ENTREPRISES							2	2	2
TOTAL:	**9**	**8**	**9**	**16**	**18**	**30**	**55**	**71**	**68(7)**
ELECTRICAL & ELECTRONIC PRODUCTS INDUSTRIES:									
EDMUNDSTON ELECTRONIK LTEE	9	3	5	2(3)	2(3)	5	5	6	6(2)
SQUARE "D" CANADA LTEE	135	92	100	118	118	140	144	145	170(1)
ROBERT LACOMBE ELECTRIQUE	1	1	1	1	1	1	2	3	3
TOTAL:	**145**	**96**	**106**	**121(3)**	**121(3)**	**146**	**151**	**154**	**179(3)**
NON-METALLIC MINERAL PRODUCTS INDUSTRIES:									
PERMACON MADAWASKA	3	3	3	3	3				
BETON BRUNSWICK	5	5	5	5	5		5	5	5
MADAWASKA ECONOMIC GLASS LTEE	25	18	7	2	4	12			
BETON NOUVEAU	1	1	1	1	1	1	1	1	1
TOTAL:	**34**	**27**	**16**	**11**	**13**	**13**	**6**	**6**	**6**
CHEMICAL & CHEMICAL PRODUCTS INDUSTRIES:									
LONG FERTILIZERS LTEE	6	10	5	3	3	4	4	4	4
TOTAL:	**6**	**10**	**5**	**3**	**3**	**4**	**4**	**4**	**4**
OTHER MANUFACTURING INDUSTRIES:									
PETERS CJ DENTAL CLINIC	1	1	1	1	1	2	2	2	2
EDMUNDSTON DENTAL LAB	1	1	1	1	1	1	1	1	1
GILLES NADEAU DENTURISTE	1	1	1	1	1	1	1	1	1
MORNEAULT DENTAL CLINIC	1	1	1	1	1	2	2	2	2
LES ENTREPRISES DAVINCI INC.						1(2)	2(3)	3(3)	3(2)
ROY TECHNOLOGIES					2	2	3	2	3
STUDIO MADOUESS							3	3	3
TOTAL:	**4**	**4**	**4**	**4**	**6**	**12(2)**	**14(3)**	**14(3)**	**15(2)**

APPENDIX C

APPENDIX C

ACTIVITY SHEET

Company:_____ **File No:** _____

DATE	ACTIVITY	CONTACT	COMMENTS

APPENDIX C

TIME SHEET

NAME: _____ Week beginning: _____

Program (company file)	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY	TOTAL
Company name: _____ _____ _____ _____								
Information (specify) Catalyst (organizer) (specify) Lobbying (specify) Consulting (specify) Administration Training, Association, Convention								
TOTAL								

APPENDIX D

APPENDIX D

Explanation for the "Estimate of the Population in the working age classes" (15-64 years old) calculation over the CINO Territory.

1st. step: Estimation of the population for each one of the classes for the year X+1.

Basic assumption:

The population is equally divided, throughout each year in a specific class.

2nd. step: Calculating of mortalities by class.

In order to fix the death rate for each class, we used the death rate calculated by Statistics Canada in 1986.

3rd. step: Calculation of the total population for every classes.

We have to multiply the number of persons in each class by the life expectation rate in the class. The life expectation rate being (1 - each death rate). We then find the total population estimate for each class.

Results:

From 1986 to 1987, the population in the working age classes grew 0.84%, while from 1987 to 1988, it grew 0.80%. That means that the net growth for the industrial employments over the NWIC Territory must, at least, level out this growth.

References:

The data used in the study have been obtained from Statistics Canada; Catalogues # 94-107, # 94-108, # 93-X940, # 84204.

ESTIMATE OF THE POPULATION IN THE WORKING AGE CLASSES (15 TO 65) FOR 1987 AND 1988 OVER CINO TERRITORY, NEW-BRUNSWICK

(PERFORMANCE INDICATOR)

	1986	1987	TOTAL GROWTH
MEN BETWEEN 15 AND 65 YEARS OLD	9445	9539	0.99%
WOMEN BETWEEN 15 AND 65 YEARS OLD	9895	9963	0.69%
POP. IN THE WORKING AGE CLASSES	19340	19502	0.84%

	1987	1988	TOTAL GROWTH
MEN BETWEEN 15 AND 65 YEARS OLD	9539	9630	0.95%
WOMEN BETWEEN 15 AND 65 YEARS OLD	9963	10029	0.66%
POP. IN THE WORKING AGE CLASSES	19502	19659	0.80%

POPULATION BY AGE AND BY SEX IN 1987

MEN

CLASSES	POP. 86	ESTIMATE 87	DEATH ESTIMATE	TOT. POP.
5-9	1175	908	0.02%	
10-14	1245	1223	0.03%	
15-19	1185	1197	0.11%	1196
20-24	1205	1201	0.16%	1199
25-34	2610	2590	0.12%	2587
35-44	2040	2097	0.22%	2092
45-54	1205	1289	0.53%	1282
55-64	1200	1201	1.45%	1183
TOTAL 15 YEARS AND OVER :				9539

WOMEN

CLASSES	POP. 86	ESTIMATE 87	DEATH ESTIMATE	TOT. POP.
5-9	1070	856	0.02%	856
10-14	1130	1118	0.02%	1118
15-19	1150	1146	0.03%	1146
20-24	1260	1238	0.05%	1237
25-34	2720	2700	0.04%	2699
35-44	1980	2054	0.11%	2052
45-54	1400	1458	0.32%	1453
55-64	1385	1387	0.77%	1376
TOTAL 15 YEARS AND OVER :				9963

POPULATION BY AGE AND BY SEX IN 1987

MEN

CLASSES	POP. 86	ESTIMATE 87	DEATH ESTIMATE	TOT. POP.
5-9	908	726	0.02%	
10-14	1223	1205	0.03%	
15-19	1196	1201	0.11%	1200
20-24	1199	1198	0.16%	1196
25-34	2587	2568	0.12%	2565
35-44	2092	2142	0.22%	2137
45-54	1282	1363	0.53%	1356
55-64	1183	1193	1.45%	1176
TOTAL 15 YEARS AND OVER :				9630

WOMEN

CLASSES	POP. 86	ESTIMATE 87	DEATH ESTIMATE	TOT. POP.
5-9	856	685	0.02%	685
10-14	1118	1108	0.02%	1108
15-19	1146	1140	0.03%	1140
20-24	1237	1219	0.05%	1218
25-34	2699	2677	0.04%	2675
35-44	2052	2117	0.11%	2114
45-54	1453	1513	0.32%	1508
55-64	1376	1384	0.77%	1373
TOTAL 15 YEARS AND OVER :				10029

APPENDIX E

APPENDIX E

Meeting list

NAME	FUNCTION	COMPANY/ORGANIZATION
TREMBLAY, Robert	General Manager	NWIC INC.
LANDRY, Francine	Assistant Manager	NWIC INC.
ROSSIGNOL, Guy	Planner	Department of Commerce and technology
LOSIER, Jacinthe	Secretary	NWIC INC.
FYFE, Larry	Manager, Corporate Affairs	Fraser Inc.
BARD, Pius	Mayor	Edmundston
MARTIN, M	Mayor	St-Basile
PELLETIER, Jacques	Chartered accountant	Michaud, Nadeau, Pelletier, CA
CYR, Raoul	Mayor	St-François
LONG, Ronald	Mayor	Clair
SOUCY, Mme	Mayor	Lac Baker
LEVESQUE, Jocelyn	President	Confection B.L. Ltée, Clair
VALLIERES, Donald	General Manager	Modes France Ltée Clair
LEVASSEUR, Daniel	General Manager	Clair Ind. Dev. Corp, Clair
FOURNIER, Gilbert	General Manager	Mont-Farlagne
RACINE, Guildo	Director	Square D Canada Edmundston
AUCOIN, Jean	President	Les Entreprises Da Vinci St-Jacques

NAME	FUNCTION	COMPANY/ORGANIZATION
BOUCHER, Isidore	Mayor	St-Jacques
ARSENEAULT, Paul	Director	Emploi Immigration Canada, Edmundston
MARTIN, Valmont	Chairman of the Board	NWIC INC.
ARSENEAULT, Rod	Director	Collège Communautaire, Edmundston
THERIAULT, Mario	Director	Conseil de recherche et de la productivité Edmundston
LAVOIE, Rino	Regional Director	SCTP Edmundston
CARRIER, Normand	Dean	Centre Universitaire St-Louis-Maillet
VOLPE, Rino	President	Carrefour Assomption Ltée
THORNE, Gary	Teacher	Commission Scolaire
PICARD, Jacques	President	Nordic Consultants Ltée
LEVESQUE, Maurice	Development officer	Atlantic Canada Opportunities Agency (ACOA)
MARQUIS, Jean-Guy	Mayor	Verret
COLLIN, Jean	President	Gilles Bégin Lumber Ltée
DUBE, Valier	President	Breuvages Dureau
RIOU, Marcel	Director	Edmundston Paper Box Ltée
MORENCY, Gaëtan	Director	Armoires Modernes
LEVESQUE, Jacques	President	Dynamic Fibre

NAME	FUNCTION	COMPANY/ORGANIZATION
CLAVETTE, Roland	President	JMR Machine Shop
VIOLETTE, Daniel	President	Studio Maddouess
DAIGLE, Luc	President	Daigle Jacket
VERRET, Normand	President	Imperial Signs Ltd.
PELLETIER, Rino	Director	Imperial Signs Ltd.
PINETTE, Rosaire	Mayor	Baker Brook
DUMONT, Benoît	Mayor	St-Hilaire
NADEAU, Louis-Philippe	President	Nadeau Ferme Avicole
BYRNS, André	Director	Nadeau/Shermag Ltée
LAFONTAINE, Jean-Marc	President	La Chemise JML Ltée
NOEL, Tony		Department of Commerce and Technology
BURGESS, R	Director	Department of Commerce and Technology
LEBLANC, Janice		
LANTEIGNE, A	Assistant Manager	Office of Economic Opportunity
LAUGHLEY, R		Department of Tourism

APPENDIX F

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